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GIVING USA

1982 ANNUAL REPORT

A compilation of facts and trends on American philanthropy for the year 1981

A publication of the American Association of Fund-Raising Counsel, Inc.

Officers and Staff, 1982

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In 1935, nine established professional fund-raising counseling firms serving leading community funds, colleges, universities, hospitals, churches and character-building agencies joined in forming the American Association of Fund-Raising Counsel, Inc. Their primary purpose was to bring order into a field that was disorganized and, in some instances, misunderstood and distrusted. Their first act was to adopt a code of fair practice, which has stood the test of time and is now widely accepted as a standard for professional conduct in fund raising. Today, each of the member firms and associate members of the Association operates according to this code.

The Association seeks to carry out the following program:

- To maintain high standards of ethics and professional techniques in fund-raising counseling.
- To study and identify economic and social trends in American philanthropic areas, and to share this information with the general public through publication of surveys; an annual review of philanthropy called *Giving USA;* and a newsletter, the *Fund Raising Review.*
- To foster and encourage professional training in fund-raising techniques.
- By example, and through strict adherence to the Association's code of practice, to discourage unethical and unprofessional practitioners.
- To provide a center of information on philanthropy which is made available to related groups, such as state and federal legislatures, nonprofit institutions and agencies, and students, and others engaged in studies of philanthropy, as well as to the general public.

The Association answers inquiries of state and local governments and assists, on request, in developing laws regarding the raising of funds. It thus aids in protecting the public against fraudulent practices.

The Association welcomes requests for information on any aspect of philanthropic fund raising and for data regarding the services of its members. As in other professions, relations between the professional fund-raising counsel and the nonprofit institutions or agencies served are confidential.

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GIVING USA

27th Annual Issue

A compilation of facts and trends
on American philanthropy for the year 1981

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GIVING USA

A publication of the American Association of Fund-Raising Counsel, Inc.

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THE CHAIRMAN'S LETTER

During this past year, we have heard a cacophony of negative, pessimistic, hand-wringing comments on the future of many of our non-profit institutions and agencies. The lowering of the top tax bracket to 50 percent in the Economic Recovery Tax Act of 1981, the eroding and pervasive effect of double digit inflation and the debilitating and, as some would feel, excessive budget cuts suggested for the private sector by the Reagan administration have all contributed to the "gloom and doom" that has permeated the philanthropic world and its thinking. Yet, as in most things, time has a way of placing things in perspective: recent studies conclude emphatically that most major donors list tax considerations as a lower priority in considering their gifts; inflation has ebbed and gives evidence of being under control for the moment at least; the battle goes on as to what budgetary cuts in the non-profit sector are tolerable and justified and will actually take place.

Unarguably, the one constant – often overlooked by the uninitiated – in the equation for philanthropic success is the goodness and caring nature of people. History shows clearly that in times of trouble the American people can always be counted on to step into the situation with enthusiasm, generosity and a sense of sacrifice. They must believe in the cause – but when they do, nothing is going to stand in their way: not tax considerations; not the cost of living indexes; not the threat of government cutbacks.

This was proven beyond a doubt last year when America's citizens, corporations and foundations joined together as never before and gave an astonishing $53.62 billion to more than 300,000 charitable organizations, institutions and agencies whose primary purpose is to improve the quality of life for those less than able to help themselves.

The total giving represented a record. It was substantially more than the annual budgets of many of the world's nations. And it happened

during a year when the people of this country were concerned about their own economic viability; when business corporations experienced a downturn in profits for the second consecutive year; and when foundations were struggling to rebuild assets torn to shreds by three years of what just a short time back would have been considered unbelievable inflation.

Much of the 12.3 percent increase in philanthropy is attributed to the fact that charitable organizations were worried last year–worried that they would lose government funding essential to many of their programs. And because of that–and a resolve not to surrender programs that aid humans in their quest for a less complicated existence–charitable organizations turned as never before to private sources for the support they so desperately needed.

The figures for 1981 show that the private sector in the United States responded–individuals increased their giving by 11.9 percent; bequests jumped nearly 22 percent; and the nation's corporations accelerated their contributions by 11.1 percent; while foundations upped their giving by 9.1 percent.

The new record highs went a long way toward helping those organizations bring their services to the needy and deserving people of the nation, and even the world. But this increased level of giving did not represent a cure-all in itself–even though giving outpaced inflation for the first time in three years.

Nonprofit institutions and agencies are still faced with a variety of problems that present no easy solutions. Some institutions and agencies, for example, were so overly dependent on federal funding that they were unable to raise enough last year from the private sector to continue.

In addition, myriad regulations and state statutes add to the costs of operations for charitable organizations, and this ever growing problem must be solved. Of course, considerable work has been done in this area–through the legislative program of the American Association of Fund Raising Counsel, through the National Center for Charitable Statistics, and through the efforts of others–and, fortunately, progress has been achieved. But there is still no reciprocity among state statutes and that is what is needed.

The Charitable Contributions Legislation, passed last year by the Congress, goes a long way toward encouraging more people to make contributions and the Task Force on Private Sector Initiatives, formed by President Reagan and headed by William Verity of Armco Steel Corporation, both represent real hope for the future.

However, in the final analysis, the 300,000 charitable organizations, institutions and agencies in the United States must seek more support from those best able and most inclined to give it–the American people, their corporations and their foundations.

The $53.62 billion achieved last year proves that people are willing to help, that they will give. But to do so they must be asked.

John G. Doerst, Jr.

Chairman, AAFRC

PHILANTHROPY 1981

Total Giving 1981 - $53.62 billion

1981 Contributions (in billions)	Contributions as Percent of Total
Individuals . . . $44.51	*Individuals . . . 83.0%*
Bequests . . . $3.49	*Bequests . . . 6.5%*
Corporations . . . $3.00	*Corporations . . . 5.6%*
Foundations . . . $2.62	*Foundations . . . 4.9%*

1981 Distribution (in billions)	Distribution as Percent of Total
Religion . . . $24.85	*Religion . . . 46.3%*
Education . . . $7.49	*Education . . . 14.0%*
Health & Hospitals . . . $7.36	*Health & Hospitals . . . 13.8%*
Social Welfare . . . $5.32	*Social Welfare . . . 9.9%*
Arts & Humanities . . . $3.35	*Arts & Humanities . . . 6.2%*
Civic & Public . . . $1.54	*Civic & Public . . . 2.9%*
Other . . . $3.71	*Other . . . 6.9%*

Americans contributed a record-shattering $53.62 billion to a cross-section of more than 300,000 charitable organizations during 1981, an increase of 12.3 percent from year earlier levels.

The American Association of Fund-Raising Counsel said the overall increase was the highest year-to-year jump ever recorded and it represented the first time in three years that charitable giving outpaced inflation.

Just how much of the overall gain was attributable to the loss of federal funding because of budget reductions and the government's subsequent plea that the private sector do more to help improve the quality of life in America was not clear. But many of the nation's nonprofit organizations reported they anticipated reductions in government grants and as a result increased their efforts to raise private money.

The record contributions in 1981 were "a remarkable demonstration of how caring and responsive Americans are to the well-publicized problems philanthropy is facing because of inflation and the federal budget cuts," the president of the American Association of Fund-Raising Counsel, John J. Schwartz, said.

He noted that the major source of giving last year was from individuals who gave a total of $44.51 billion, or 83 percent of all charitable contributions.

That was an increase of 11.9 percent from 1980 and as a portion of the nation's personal income it equalled 1.85 percent, a little above 1980.

Bequests received by charitable institutions and organizations totaled $3.49 billion, or 6.5 percent of all giving last year, an increase of 22 percent from 1980. When bequest giving and individual contributions are lumped together, they equal 89.5 percent of all contributions made in the United

States.

The country's businesses, despite a call from the administration to make up a substantial portion of the federal budget reductions, did increase their giving last year by 11.1 percent, and that brought corporate contributions to $3.0 billion, the highest ever.

And, the increased corporate giving came during a year when corporate profits slipped by over nine percent from their 1980 levels. But the increase did not come as a result of more corporations giving to charitable causes. Rather, it resulted from an increase in the giving levels of those corporations that traditionally contribute to nonprofit causes.

Roughly 31 percent of the nation's 2.2 million corporations make charitable contributions each year.

Philanthropic foundations gave a total of $2.62 billion last year and that was an increase of 9.2 percent from 1980's total. But there was some belief that foundation giving would level off, or even decline, in the next three to five years since a provision in the tax act passed last year by Congress enables foundations to reinvest their assets, rather than give growth in assets to charitable organizations.

Foundation assets fell victim to inflation over the years and the general consensus is following a period during which they can be rebuilt, giving by foundations will once again begin to climb.

During 1981, as in past years, giving to religion was far above that to any other philanthropic category. Last year it reached a total of $24.85 billion, a jump of 12.2 percent in one year. As a portion of all giving in the United States, contributions to religion represented 46.3 percent.

The organizations, institutions and agencies in the educational community received $7.49 billion during 1981, an increase of 12.1 percent from 1980.

Giving to health agencies and to hospitals increased last year by 13.4 percent—the highest percentage increase of any recipient category—and the contributions totaled $7.36 billion. Sizable increases were reported by a number of health-related organizations and hospitals, while smaller gains—or in some cases none at all—were experienced by others.

There was an increase of 12.5 percent in giving to agencies in the social services category, and that brought contributions to that segment of philanthropy of $5.32 billion last year. The largest social services agency in the nation, United Way of America, had record contributions of $1.68 billion.

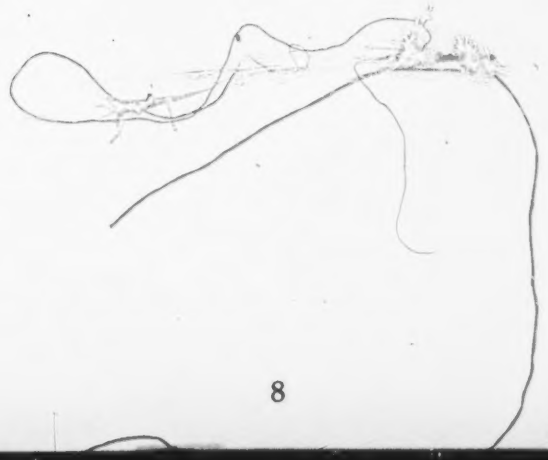
The arts and humanities category received a total of $3.35 billion in contributions last year, an increase of 13.2 percent. Many of the nation's arts groups credited the increase with enabling them to continue their programs, after they were staggered by federal cutbacks.

Giving to civic and public institutions and agencies rose to $1.54 billion last year and represented an increase of 13.2 percent. Much of the gain was attributed to community improvement projects that had lost federal and state funding and turned to the private sector for support.

There was a total of $3.71 billion given to the "other" category—a mix of organizations involved with foreign aid, technical and educational assistance and foundation endowment. Much of the boost, which worked out to 10.0 percent, resulted from a continuation of aid to Southern Italy which was devastated by an earthquake that killed 4,800 people in November, 1980.

SOURCES OF PHILANTHROPY

Individuals
Bequests
Foundations
Corporations



Giving by **INDIVIDUALS**

	Amount (billions)	Personal Income (billions)	Percent of Income
1970	$15.92	$ 801.3	1.99
1971	17.02	859.1	1.98
1972	18.19	942.5	1.93
1973	20.43	1,054.7	1.94
1974	22.33	1,154.7	1.93
1975	24.24	1,255.5	1.93
1976	26.57	1,381.6	1.92
1977	29.22	1,531.6	1.91
1978	32.79	1,717.4	1.91
1979	36.39	1,923.1	1.89
1980	39.78	2,160.2	1.84
1981	44.51	2,404.0	1.85

Americans contributed a record-shattering $44.51 billion to the nation's charitable organizations, institutions and agencies in 1981.

The total represented an increase of 11.9 percent from the revised $39.78 billion that living individuals gave to nonprofit groups a year earlier, the American Association of Fund-Raising Counsel said.

As a portion of personal income—the most common economic indicator against which it is measured—individual giving equalled 1.85 percent, up slightly from the 1.84 percent a year before.

The U.S. Department of Commerce said that personal income rose to $2,404.0 billion last year, which represented an increase of 11.3 percent in that barometer. But with giving by individuals rising by an even greater percentage, a candle of hope was ignited that perhaps charitable organizations were making headway.

And added signals for optimism came with the government's Bureau of Labor Statistics reporting that inflation during 1981 averaged 8.9 percent, meaning that for the first time in three years some real gain may have been achieved through contributions by individuals.

In both 1979—when inflation hit a record 13.3 percent—and again a year later—with cost increases averaging 12.4 percent—philanthropic organizations were literally robbed of any real gains since giving by individuals in those years did not increase anywhere near those levels.

But oddly, some of the increase in individual giving last year could have been fear-inspired. Early in the year the Reagan Administration announced plans to implement massive cuts in federal funding of programs—including some that would affect the flow of federal dollars going to charitable organizations in the form of contracts for services, direct grants and similar programs.

There was no clear indication of how deep the cuts would eventually be, but at the same time, with the administration riding the crest of a wave of victories with the Congress, the consensus was that the reductions could be substantial, as requested by the president. They could be so substantial, in fact, that some organizations—especially those that in the past had existed nearly solely on government funding—feared the loss of revenue would be so great that they would cease to exist.

Eventually, not all of the proposed cuts were made. But while they were being discussed, many veterans within the philanthropic community were warning organizations that they must make efforts to seek support from other than government sources. Apparently, the advice was heeded,

Preliminary Average Itemized Deductions for 1980

Adjusted Gross Income Ranges	Percentage of Returns Using Zero-Bracket Amount	Average Deductions for: Medical	Taxes	Contributions	Interest
$ 4,000—$ 6,000	94%	$1,514	$ 686	$ 540	$ 2,883
6,000— 8,000	93%	1,906	873	564	2,293
8,000— 10,000	91%	1,567	972	536	2,521
10,000— 12,000	85%	1,228	1,005	594	2,201
12,000— 14,000	81%	1,188	1,136	568	2,364
14,000— 16,000	75%	982	1,264	560	2,431
16,000— 18,000	69%	760	1,347	574	2,489
18,000— 20,000	63%	723	1,433	608	2,709
20,000— 25,000	49%	664	1,719	615	2,782
25,000— 30,000	35%	604	1,997	666	3,004
30,000— 40,000	21%	543	2,492	808	3,342
40,000— 50,000	10%	562	3,258	1,084	3,901
50,000— 75,000	07%	727	4,425	1,539	5,075
75,000—100,000	05%	790	6,516	2,632	7,286
100,000 or more	03%	1,273	13,459	8,688	12,813

Source: *Commerce Clearing House, Internal Revenue Service data*

the efforts were somewhat successful and more than ever before was raised through the generosity of the American citizen.

Just how those generous Americans would respond to another government action—tax cuts—became the subject of considerable controversy last year when studies seeking to examine the impact of the tax reduction were misinterpreted.

As a result of the publicity, some believed the studies showed that Americans would cut their level of giving and the more than 300,000 charitable organizations in the United States would lose donors and dollars. In fact the studies actually forecast an increase in contributions by individuals of $21 billion or 54 percent over the next four years, but warned that the increases could be smaller than generally anticipated if wealthy individuals were to put a heavy emphasis on the tax aspects of charitable giving.

Just how much emphasis major donors—who are also wealthy individuals—put on the tax aspect of giving became the subject of a major study conducted by four of the member firms of the American Association of Fund-Raising Counsel.

The study concluded with the fact that a great majority of the individuals who plan to make major gifts to charitable organizations do not expect the modifications in the tax law to affect their contributions.

And it showed, too, that more than 90 percent of donors who made large gifts in the past said they rated belief in an institution and its purposes as very important in deciding the size of their donation.

Only 11.5 percent rated the tax consideration as very important.

Of more than 200 large donors responding to the AAFRC survey, which was taken after the tax reductions were announced, 74.7 percent said major gifts they expected to make to charitable organizations would not be affected to any great degree by the tax reductions.

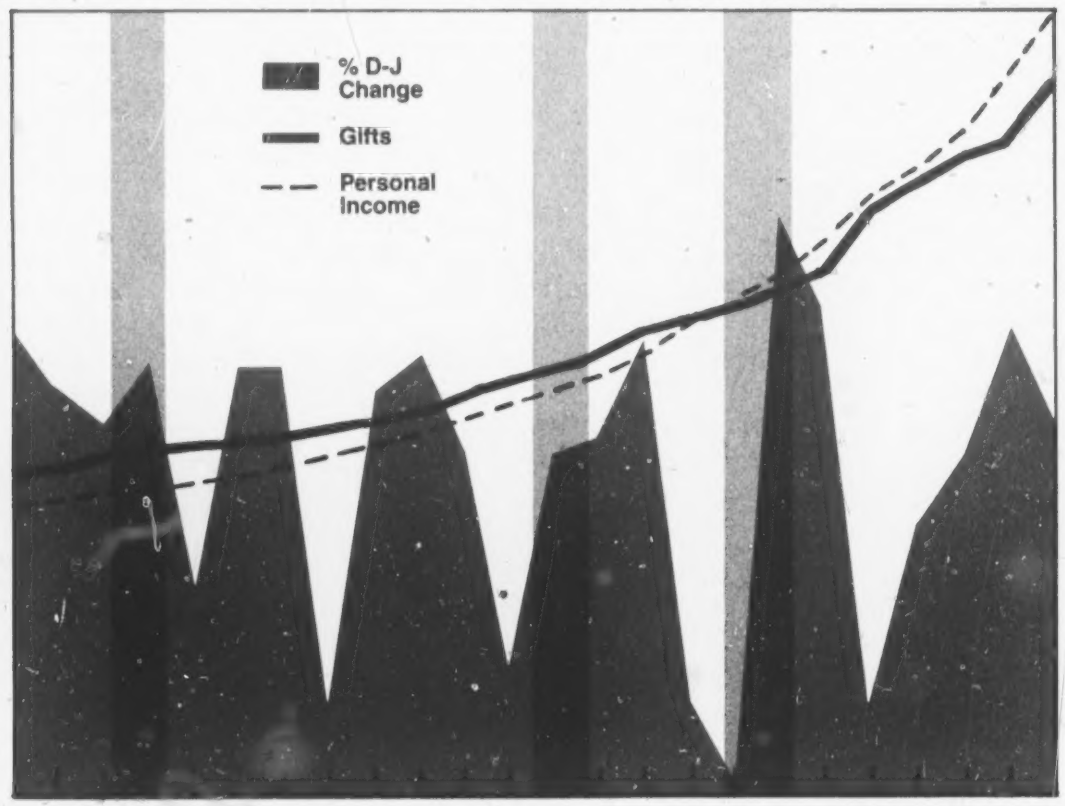
Only 4.3 percent said they expected they would re-examine the possibility of making the gift at all; and 10.6 percent believed their giving would most likely be substantially smaller as a result of the recent tax changes.

At the same time, 5.2 percent believed that the tax law changes would lead them to make a larger gift than they thought before the changes were announced.

When asked about past giving, 61.5 percent of those who responded said the tax advantages of making the gift was "one of several deciding factors in determining the size of the gift;" 27.2 percent said the tax advantage was a "significant factor"; and 8.8 percent did not consider the tax advantage to any great degree at all.

Many of those who responded to the survey said they believed the tax cuts would actually benefit nonprofit institutions and agencies, since with reduced tax burdens Americans would have a greater disposable income. In fact, over the past quarter-century, the growth in giving by individuals traces a parallel path with the growth of personal income and it is affected neither by fluctuations of the stock market nor changes in the tax laws.

The survey also addressed individuals who have solicited large gifts in the past and asked them what impact they believed tax advantages had on the size of the gifts donors they solicited made.



Itemized Returns with Contributions Deductions, by State, 1979

	Contributions							
	Cash contributions		Other than cash contributions		Carryover from prior years		Amount not deductible because of income limitation	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
United States, total	**24,296,171**	**$19,179,271**	**5,557,458**	**$3,327,170**	**87,695**	**$1,098,713**	**46,122**	**$1,394,316**
Alabama	348,704	376,223	54,939	24,942	364	1,939	974	6,747
Alaska	53,321	47,469	10,876	5,462	266	35,605	239	34,272
Arizona	338,535	278,791	119,333	56,251	1,575	28,052	1,183	42,794
Arkansas	136,231	158,278	14,281	9,908	454	7,427	980	8,079
California	3,278,703	2,275,684	1,317,599	712,351	14,065	140,176	8,484	349,137
Colorado	419,556	256,956	139,681	43,125	491	10,014	75	9,163
Connecticut	375,884	258,188	79,801	58,592	586	12,838	54	10,300
Delaware	72,801	54,965	18,741	11,628	91	3,924	8	601
District of Columbia	87,380	79,156	17,510	21,556	189	6,928	86	7,226
Florida	801,506	698,857	170,665	191,381	5,499	56,594	2,746	60,957
Georgia	516,428	455,871	103,971	70,071	1,513	14,861	596	14,129
Hawaii	128,219	69,860	24,674	16,756	833	11,435	429	13,329
Idaho	90,612	96,807	19,894	11,023	234	5,666	176	6,543
Illinois	1,348,254	1,017,139	243,029	137,921	4,738	43,604	1,849	33,825
Indiana	449,222	399,742	44,768	38,858	1,697	27,147	624	30,853
Iowa	310,711	222,039	60,378	20,231	1,366	3,371	2,390	6,899
Kansas	236,714	198,433	49,467	25,391	1,779	3,379	224	4,728
Kentucky	303,256	250,201	31,606	22,891	1,163	2,917	193	5,866
Louisiana	296,577	303,443	44,206	32,951	2,064	11,621	140	11,386
Maine	75,596	55,407	10,678	5,828	416	37,162	592	46,234
Maryland	656,708	427,795	175,001	74,800	2,149	23,206	371	20,407
Massachusetts	773,220	417,344	117,958	72,959	998	25,341	373	20,570
Michigan	1,281,886	854,774	204,641	122,071	6,839	31,813	1,661	44,640
Minnesota	555,286	393,137	147,427	41,471	481	10,207	93	8,776
Mississippi	165,456	183,681	18,897	13,720	467	3,148	257	3,102
Missouri	449,202	393,221	101,344	70,527	1,284	5,577	1,175	21,986
Montana	73,831	52,377	10,605	9,416	56	3,772	106	2,587
Nebraska	138,274	111,832	42,707	16,807	253	8,818	299	8,252

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Nevada	93,081	66,690	25,305	19,905	269	7,238	779	9,961
New Hampshire	74,443	45,418	10,546	9,026	368	1,850	29	1,255
New Jersey	932,502	670,025	215,822	83,651	3,942	19,191	332	10,554
New Mexico	98,321	79,225	24,367	14,404	474	4,611	215	7,721
New York	2,409,218	1,624,098	478,441	366,896	5,913	166,532	4,240	165,482
North Carolina	520,298	504,331	68,541	41,464	905	6,858	838	15,717
North Dakota	51,913	43,908	7,056	1,841	22	297	17	531
Ohio	976,050	752,844	203,058	101,690	606	27,840	110	31,201
Oklahoma	268,287	321,674	41,113	24,282	585	10,578	456	10,669
Oregon	287,152	228,120	69,447	36,669	2,696	12,194	1,271	13,659
Pennsylvania	1,136,594	932,166	221,960	141,550	4,174	61,245	2,352	71,382
Rhode Island	92,001	51,183	12,444	8,010	51	4,753	39	2,934
South Carolina	276,015	270,251	35,377	23,128	1,705	1,263	382	5,298
South Dakota	39,112	35,716	6,555	2,497	39	112	9	188
Tennessee	313,769	363,828	42,148	39,136	804	11,178	60	5,814
Texas	1,021,659	1,175,934	249,854	198,231	5,971	108,242	4,838	91,478
Utah	196,749	296,972	56,344	38,789	1,336	32,663	1,182	44,143
Vermont	34,074	18,276	4,798	3,650	18	745	15	743
Virginia	593,995	483,079	133,759	74,071	1,904	18,293	61	12,944
Washington	421,344	348,026	119,881	95,347	2,527	15,228	2,423	39,111
West Virginia	76,145	74,749	10,884	4,841	23	127	—	—
Wisconsin	554,030	324,089	109,518	30,001	785	9,215	62	3,702
Wyoming	42,733	36,123	6,474	22,628	154	1,221	25	14,865
APO/FPO	7,735	4,937	4,825	956	—	—	—	—
Puerto Rico	869	794	669	206	—	—	—	—
U.S. citizens abroad	16,009	39,142	3,595	5,411	8	698	—	—

Source: *Internal Revenue Service*

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The tax advantage was considered to be significant by 38.3 percent of those who said they had solicited large gifts; 5.1 percent said they did not believe it was considered at all and 55.1 percent said they did not think it was a significant factor in determining the size of the large gift.

In determining the level of individual giving, the American Association of Fund-Raising Counsel examines a number of key indicators. These include the performance of charitable organizations receiving the bulk of their support from individual donations, tabulations from the Internal Revenue Service and surveys taken among individuals on their giving habits.

The IRS reported an increase in the number of individuals who deducted charitable contributions on their federal income tax returns in the most recent year of final tabulations—1979.

In that year, 24,564,373 tax returns showed charitable contributions, compared with 23,939,571 returns the year before. Contributions over the same period rose to $22.1 billion from $19.7 billion, an increase of 12.2 percent.

The AAFRC reported in 1980 that individual contributions increased by 11.4 percent from 1978 to 1979, but that total took into account the amount contributed by nonitemizers, a figure that the Internal Revenue Service does not report because nonitemizers do not list charitable contributions on their tax returns.

That may all change in the future, however, with the passage and signing into law of the Charitable Contributions Legislation.

Effective in 1982, the legislation permits individuals who do not itemize tax returns to deduct their gifts to charitable organizations.

The tax act passed by Congress, which included the Charitable Contributions Legislation, provides for a phasing in of the provision. For the first three years, the allowable deduction for donations will be a percentage of total contributions not to exceed a ceiling amount of $25, or 25 percent, of the first $100 contributed in 1982 and '83. For 1984, donors are permitted to deduct $75, or 25 percent, of the first $300 they give, while for 1985 they can deduct 50 percent of their gifts with no ceiling. In 1986 the provisions permit those who do not itemize to deduct 100 percent of what they give to nonprofit organizations.

What does it all mean? Simply, it affects 70 percent of all American taxpayers and offers them incentives to give more to charitable institutions and agencies. But at the same time, those within the philanthropic community warn that while the incentives to give more are in place, they will be meaningless unless concerted efforts are made to inform the general public and explain the benefits of the provision to them.

The provision expires in 1986 and must be renewed by Congress if it is to be effective after that date. To help gain some indication of what it means to both charities in additional revenue and to the government in what some generally call "lost tax revenue," the AAFRC, United Way of America and the INDEPENDENT SECTOR, all of whom had fought for the legislation for as long as ten years, asked IRS to include on short forms a question relating to total giving, even though in the first three years of the life of the provision, deductions have a ceiling.

If IRS follows that suggestion, it will in the future be able to compute total giving by itemizers and non-

itemizers alike.

One of the largest organizations funded primarily through individual contributions—the United Way—reported that Americans contributed a record $1.68 billion to its campaigns in 1981.

That represented an increase of 10.3 percent, the largest in 25 years, the United Way said, and it came during a period of recession and rising unemployment. Much of the United Way's contributions come through the workplace.

The organization said that its contributions were strongly related to the state of the economy, with the smallest increases coming in the Northeast and Middle West, while results from states with high unemployment such as Pennsylvania, Illinois, Kansas and Michigan were described as "very positive and very encouraging."

The results in Detroit, a city devastated by unemployment among automobile workers, were termed "an incredible achievement by the area's working people," with contributions there increasing by 2.5 percent.

In the Tri-State region of New York, New Jersey and Connecticut, preliminary reports said the campaign passed its goal of $94 million, which represented the largest increase since the campaign's inception five years ago.

Giving by BEQUEST

	Amount (Billions)
1970	$2.13
1971	3.00
1972	2.10
1973	2.00
1974	2.07
1975	2.23
1976	2.36
1977	2.99
1978	2.60
1979	2.23
1980	2.86
1981	3.49

Americans bequeathed a total of $3.49 billion to charitable organizations, institutions and agencies in 1981, a new record.

The American Association of Fund-Raising Counsel said the bequests in 1981 represented an increase of 21.7 percent from the $2.86 billion charitable organizations received in bequests a year before.

As a portion of all giving during 1981, bequests accounted for 6.5 percent, and when added to individual giving, they bring the total portion of gifts from individuals to 89.5 percent of all philanthropic giving in the United States.

The Association said that its estimated total for bequests was based on reports from major charitable organizations which receive significant bequests each year and from a tabulation of major bequests of one million dollars and more.

In 1981 the AAFRC counted a total of more than $73 million in large bequests, a 22 percent increase over the

Large Bequests—1981
Donor/Amount/Recipient

Jean Brown
$14.3 million to *Arkansas College*
$11.7 million to *Austin Presbyterian Seminary*
Elinor Anheuser Storz
$6.2 million to *Washington University*
Alberta Briegel Ponder
$5 million to *University of Missouri at Columbia*
Ludwig Schaefer
$3.4 million to *Columbia University*
Vernita Watts Adams
$3 million (land) to *Whitman College*
Philis S. Charles
$2.7 million to *DePauw University*
Harry H. Ferguson
$2.5 million to *University of Illinois*
Mina S. Schwabacher
$2.5 million to *Whitman College*
Thomas Nichol, Jr.
$2 million to *Princeton University*
Marshall W. Alworth
$2 million to *University of Minnesota*
Dr. Hugh P. Reilley
$1.65 million to *LeMoyne College*
Carl Egner
$1.9 million to *Princeton University*
Henry & Alberta Ponder
$1.5 million to *University of Iowa Foundation*
George Widner
$1.4 million to *Episcopal Academy*
Ruth Lilly
$1.3 million to *Wabash College*
Homer E. Nowlin
$1.2 million to *Michigan State University*
William & Doris Scharpf
$1 million + to *University of Oregon*
Grace Farnsworth
$1 million to *Whitman College*
Roy M. & Phyllis Gough Huffington
$1 million to *Southern Methodist University*
E. H. Little
$1 million to *Davidson College*
Margaret L. Sussman
$1 million to *Dana Hall School*
Egbert B. Doggett
$1 million to *Washington & Lee University*
David Bullock Harris
$1 million to *Texas A&M University*
Newton E. Tarble
$1 million to *Eastern Illinois University*
Harold L. Fierman
$1 million to *Brandeis University*

same period a year earlier.

A sampling of large national health agencies also showed an increase in the bequests they received in 1981. That group collectively reported that they received a total of $108.5 million in bequests during 1981—and that was 8.4 percent above the $100.1 million the same agencies received a year earlier.

Two other studies—conducted among educational institutions—also showed increases in bequest giving during the year.

The Council for Financial Aid to Education told the American Association of Fund-Raising Counsel that analysis of giving data for 1980–81 revealed an increase in bequests received by the educational institutions it received reports from. The analysis showed a total of $362,215,392 in bequests to the colleges, secondary schools and other educational institutions, an increase of $28.3 million over the 1979-80 bequest total of $333,904,313.

Brakeley, John Price Jones, Inc., a major fund-raising consulting firm and a founding member of the American Association of Fund-Raising Counsel, reported that preliminary figures from its annual Higher Education and Philanthropy survey also showed an increase in bequests received by the institutions that study covers.

In that survey, bequests were up a total of $40 million and reached their highest level in recent years—$177 million. A year earlier, bequests received by the educational institutions totaled $137 million.

But what may turn out to be the largest bequest in the history of American philanthropy—well over $1 billion—only received final Superior Court approval early in 1982 and

was not due to be turned over to the J. Paul Getty Museum until later in the year.

The museum told the American Assocation of Fund-Raising Counsel that it had received $650,000 of the total in the final quarter of 1981.

In March 1982, an official of the museum, built by the late oil magnate on a bluff overlooking the Pacific Ocean, said that final papers authorizing the actual transfer of the money were signed early in that month.

The exact size of the bequest has not been determined. Mr. Getty died in June 1976 and left the bulk of his oil stock and other holdings to the museum.

Giving by FOUNDATIONS

	Amount (Billions)
1970	$1.90
1971	1.95
1972	2.00
1973	2.00
1974	2.11
1975	2.01
1976	2.13
1977	2.01
1978	2.16
1979	2.24
1980	2.40
1981	2.62

America's philanthropic foundations donated $2.62 billion to charitable institutions, agencies and organizations during 1981, a new record high.

The American Association of Fund-Raising Counsel said that giving by foundations represented 4.9 percent of all philanthropy in the United States last year, slightly less than in 1980. The increase in foundation giving was 9.2 percent above 1980's $2.4 billion, the Association reported.

But the Association added that 1981 may have been the last year for at least the next few years that foundation giving shows any increase. This is because of the new tax act, signed into law during 1981 and effective January 1, 1982, which has a provision affecting foundation payout requirements.

Under previous law, private foundations were required to distribute each year the greater of their entire realized income, or an amount equal to five percent of their investment assets.

The new tax act includes an amendment that removes this burden from foundations by limiting the payout

Some Leading U.S. Private Foundations Ranked by Payment of Grants (000)

Foundation	1980 Grant Payments	1981 Grant Payments	1981 Assets At Year-End (Market Value)	Estimated 1980 Federal Excise Tax Liability
The Ford Foundation	$103,222	$ 89,085	$ 2,565,572	$ 6,100
The Andrew W. Mellon Foundation	58,191	58,423	817,000	1,320
The Pew Memorial Trust	45,478	51,272	1,100,000	1,758
W.K. Kellogg Foundation	47,671	49,813	746,020	1,081
The Rockefeller Foundation	42,469*	42,558	883,200	2,185
The Kresge Foundation	29,768	38,360	567,833	830
The Robert Wood Johnson Foundation	39,778	35,858	1,094,207	918
The Duke Endowment	33,420	35,818	406,513	967
Lilly Endowment, Inc.	25,330	30,240	763,615	732
Charles Stewart Mott Foundation	30,539	27,693	386,204	590
Rockefeller Brothers Fund	22,895	26,608	148,085*	285*
The McKnight Foundation	9,153	25,737*	337,203*	875*
Houston Endowment Inc.	15,380	18,817	260,000*	712
Alfred P. Sloan Foundation	16,734	15,542	253,385	514
The James Irvine Foundation	11,479	14,122	272,361	454
Moody Foundation	11,238	13,500*	220,000*	300*
The Henry J. Kaiser Family Foundation	12,270	12,476	221,352	296
The Bush Foundation	13,525	12,257	232,525	391
The Edna McConnell Clark Foundation	11 488	11,929	200,337	350
The Robert A. Welch Foundation	8,989	11,718	149,462	371
Carnegie Corporation of New York	10,884	11,686	335,717	969
The John A. Hartford Foundation Inc.	7,710	10,257	125,470	200
Charles A. Dana Foundation	8,296	10,128	96,200	273
The Vincent Astor Foundation	10,151*	12,193	42,646	105
Surdna Foundation, Inc.	9,277	9,466	209,690	144
William Penn Foundation	7,977	8,990	129,189	127
Richard King Mellon Foundation	14,173*	8,795*	354,773*	918*
Gannett Foundation, Inc.	6,784	8,752	229,000	200
Sid W. Richardson Foundation	6,234	7,736*	105,000*	300*
The Commonwealth Fund	9,013	7,292	140,162	210
Northwest Area Foundation	6,665	7,276	131,506	136
Hearst Foundations	7,554*	7,200*	175,000*	185*
Z. Smith Reynolds Foundation Inc. +	6,246	6,483	89,435*	150*
Charles Hayden Foundation	4,280	6,312	75,154	107
Sarah Scaife Foundation	5,744	6,274*	111,371*	256*
Amon G. Carter Foundation	10,085	6,254	98,703	260
William R. Kenan Jr. Charitable Trust	4,281	6,167	116,468	none
Callaway Foundation, Inc.	4,853	5,870	80,779	126
Howard Heinz Endowment	5,640	5,640**	86,366**	109**
Claude Worthington Benedum Foundation	3,494	5,559	84,742	119
The Henry Luce Foundation, Inc.	2,624	5,556	118,551	80
The George Gund Foundation	5,035	5,518	85,000	136
Charles F. Kettering Foundation	5,994	5,188	76,882	162
John Simon Guggenheim Memorial Foundation	4,927	5,123	88,371	115
Smith Richardson Foundation, Inc.	3,080	4,994	96,282	174
El Pomar Foundation	3,890	3,587	81,500	114
The John and Mary Markle Foundation	1,852	3,585	53,959	84
Mary Flagler Cary Charitable Trust	2,585	3,261	69,199	111
William T. Grant Foundation	2,084	3,248	73,423	100
Danforth Foundation	3,340*	3,131	87,471	80
Research Corporation	2,575	2,481	46,298	78
Tinker Foundation Incorporated	1,667	1,575	30,477	75
Elliott White Springs Foundation, Inc.	1,376	1,490	16,372	33
Totals	$779,387	$828,893	$15,366,030	$27,265

**Estimate*
***1980 Figure*
+ Includes assets and excise taxes of two trusts

requirement to simply five percent of investment assets.

The change is significant in that foundation assets were eroded by inflation but the payout requirement prevented foundations from reinvesting a portion of their income to offset inflation. Under the new provision, foundations will be in a position of being able to preserve and even build their assets while continuing their substantial contributions to charitable organizations.

Generally, it is believed that foundation payouts may decline in the short term, but with the anticipated build-up of assets, giving will increase in the long run.

The AAFRC bases its estimates for foundation giving each year on a number of studies and samplings, and from data supplied by the Foundation Center. One of the studies used is conducted by the Association each year among a key group of some of the nation's largest foundations.

Traditionally, this group accounts for a sizable portion of all foundation giving in the United States, even though it includes only 53 of the more than 22,000 active grant-making foundations in the country.

The foundations sampled by the AAFRC reported that during 1981 they made grants totaling $826.4 million and that represented an increase of 6.0 percent from the $779.3 million the same foundations gave to charitable organizations in 1980.

They reported a drop in assets of 3.8 percent over the year's period, reflecting shabby performance by the stock market and erosion caused by inflation. The decline in assets—from $15.9 billion in 1980 to $15.3 billion a year later—also proved the contention of backers of the bill that revised the payout requirement that inflation has hurt foundations' assets.

The total increase in giving by the foundations surveyed by AAFRC came despite a sharp drop of 13.7 percent in grants reported by the largest of the foundations—the Ford

Types of Recipients for All Foundations

	Grant Dollars	%	Number of Grants	%
Educational Institutions	$514,512,965	41.0	6981	31.2
Private Universities & Colleges	278,392,767	22.2	3403	15.2
Public Universities & Colleges	88,312,669	7.0	1459	6.5
Graduate Schools	92,033,023	7.3	890	4.0
Junior/Community Colleges	3,405,773	0.3	73	0.3
Schools	52,368,733	4.2	1156	5.2
Direct Service Agencies	207,672,799	16.5	5981	26.8
Hospitals & Medical Care Facilities	114,774,092	9.1	1489	6.7
Research Institutes	91,039,640	7.2	992	4.2
Associations & Professional Societies	70,088,978	5.6	1883	8.4
Museums & Historical Societies	60,706,283	4.8	904	4.0
Performing Arts Groups	45,409,159	3.6	1424	6.4
Government Agencies	36,850,553	2.9	518	2.3
Community Funds	36,140,525	2.9	608	2.7
Libraries	33,308,912	2.7	358	1.6
Churches & Temples	10,513,774	0.8	284	1.3

Source: *The Foundation Grants Index, 11th Edition*, The Foundation Center, 1982

Foundation. That organization reported it made $89,085,000 in grants during 1981, compared with $103,222,000 in grants a year before.

The *Foundation Directory*, published by the Foundation Center, is the standard reference for information about grantmaking foundations in the U.S.

Edition 8 includes information on 3,363 foundations which account for $38.6 billion or 93 percent of all the assets of the active grantmaking foundations, and more than $2 billion, or 89 percent of all grants paid, even though this group comprises only 15 percent of the foundations in the country. Only those private foundations with assets of $1 million and more or that gave away $100,000 or more in the year of record are included in the *Foundation Directory*.

Foundations qualifying by definition but falling below the size requirements number in the neighborhood of 19,000. While they equal 85 percent of all the foundations, their assets are about $2.8 billion, or 7 percent of total foundation assets and their grants equal about 16 percent of total foundation giving.

Together, these smaller foundations give hundreds of thousands of dollars in small grants, ranging from as little as one dollar to several thousand dollars each. In many cases, according to the Foundation Center, they are important as local sources of funding and they serve at times as conduits for large grants beyond the capacity suggested by the small assets they hold.

The sixth edition of the Foundation Center's *National Data Book* contains statistics on these foundations and it also shows that there are 114 foundations with assets of $50 million and more.

That group of foundations accounts for half of all foundation assets and 37 percent of all grant dollars awarded by foundations.

In an analysis of foundations by state, the Foundation Center reported that 55 percent of all foundations are concentrated in seven states—California, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas. These 12,403 foundations represent 67 percent of all foundation assets and they account for more than 66 percent of all grants made by foundations.

In its eleventh edition of *The Foundation Grants Index*, which covers gifts of $5,000 or more awarded by 369 major foundations, the Foundation Center reported that colleges and universities are the primary recipients of foundation grants, accounting for over 40 percent of all grant dollars awarded.

Direct service agencies, which encompass social service agencies as well as other organizations providing direct services such as employment services and recreational agencies, account for 16.5 percent of all grant dollars, while hospitals and medical-care facilities receive over 9 percent of the grants awarded.

The Foundation Center's 1980 and 1981 analyses of foundation giving by subject reveal that giving for welfare or social services is the primary focus of foundation grants.

In 1981, grants for all welfare categories—which include business and employment, community activities, environmental programs, legal services, recreation and urban and rural development—accounted for over 26 percent of grant dollars awarded. This represented an increase of nearly 2 percent over the previous year.

Education and health are still ma-

20 Largest Community Foundations—1981

Foundation	Assets	Grants Paid
The San Francisco Foundation	$378,975,700	$21,691,647
New York Community Trust	$290,000,000	$22,176,000
The Cleveland Foundation	$229,538,138	$15,421,000
The Chicago Community Trust	$118,000,702	$11,279,203
Permanent Charity Fund of Boston	$ 80,364,103	$ 5,500,000
Communities Foundation of Texas	$ 60,308,000	$ 6,347,000
The Saint Paul Foundation	$ 46,100,083	$ 2,101,869
Hartford Foundation for Public Giving	$ 50,499,542	$ 3,067,308
The Pittsburgh Foundation	$ 43,457,709	$ 6,280,587
The Columbus Foundation	$ 43,313,705	$ 2,804,092
The New Haven Foundation	$ 39,617,000	$ 2,967,000
Philadelphia Foundation	$ 35,000,000	$ 2,919,648
Kalamazoo Foundation	$ 34,331,297	$ 2,743,781
The Rhode Island Foundation	$ 28,210,049	$ 1,961,000
California Community Foundation	$ 26,199,381	$ 2,591,732
The Winston-Salem Foundation	$ 26,061,735	$ 2,277,463
The Minneapolis Foundation	$ 26,030,096	$ 1,976,553
Greater Atlanta Community Foundation	$ 25,000,000	$ 2,600,000
The Winnipeg Foundation	$ 21,287,906	$ 1,772,546
The Indianapolis Foundation	$ 20,937,701	$ 1,333,242

jor areas of concern to foundations, accounting respectively for 21 percent and 22.5 percent of all dollars awarded, but there have been significant decreases in the percentage of funds allocated to these areas over the last few years.

It should be noted that in the breakdown of grants by subject, grants to colleges and universities are represented under the specific subject focus of the grant, e.g., a grant to a history department of a college is categorized under history rather than higher education.

The 1981 analysis also reveals that cultural activities is another area of increasing importance to foundations, with an increase of almost 2 percent in the grant dollars awarded to this area.

COMMUNITY FOUNDATIONS

Community foundations are much like many private foundations in their general charitable purpose, but they do have special characteristics.

Their funds are derived from many donors rather than a single source, as is usually the case with private foundations. For the most part, they contribute within a local, regional or state-wide area and respond to long-standing as well as new and emerging localized needs. Community foundations act as a catalyst, convener and implementer in meeting emergencies, and undertake any type of charitable project.

The governing board of a community foundation is broadly representative of the community it serves and in many cases, investments are managed by trustee banks.

During 1981 community foundations contributed an estimated $120.9 million to charitable organizations, an increase of 12 percent from the $108 million they contributed a year earlier.

The total assets of the more than 150 community foundations in America were estimated to be well above $2 billion by the Council on Foundations, which said that the performance of the securities market had an impact on the asset performance last year.

Community foundations seek gifts as well as make grants, and the Council on Foundations estimated that approximately 78 percent of the new money attracted during 1981 by community foundations came from individuals and through bequests.

There was also an increase in corporate giving to community foundations—estimated at between two and four percent from a year earlier. Corporations, the Council on Foundations said, are becoming more involved with community foundations and frequently use them as their local eyes.

The Foundation Center did an analysis of community foundation fiscal data for the years between 1975 and 1979 on an aggregate basis and adjusted the figures for inflation.

The assets show a 12 percent decline in real value over four years, even though current dollar value rose 18.8 percent.

Gifts to the foundations in the four-year period were also down by 22 percent in constant dollars and up only slightly by 5.3 percent in current dollars.

Distribution of Foundation Grants

	1980
Cultural Activities	
General	$ 23,762,428
Art & Architecture	36,277,014
History	16,876,510
Language & Literature	9,753,803
Media & Communications	26,987,020
Music	23,439,983
Theater & Dance	23,697,126
TOTAL CULTURAL ACTIVITIES	160,793,884
Education	
General	18,951,152
Adult & Continuing	9,183,695
Elementary & Secondary	36,321,496
Higher (General)	198,304,497
Vocational	3,670,572
TOTAL EDUCATION	266,431,412
Health	
General	4,542,588
Medical & Health Education	63,758,605
Medical Care & Treatment	146,611,811
Medical Research	59,209,996
Mental Health	11,246,674
Public Health	13,549,063
TOTAL HEALTH	298,918,710
Religion	
General	—
Religious Education	—
TOTAL RELIGION	28,718,935
Science	
General	—
Life Sciences	—
Physical Sciences	—
Technology	—
TOTAL SCIENCE	75,466,392
Social Science	
General	—
Anthropology	—
Economics	—
Law & Legal Education	—
Political Science	—
TOTAL SOCIAL SCIENCE	67,977,493
Welfare	
General	61,309,538
Business & Employment	25,874,641
Community Affairs	67,820,185
Consumer Interests	—
Crime & Law Enforcement	—
Environment & Conservation	36,616,832
Equal Rights & Legal Services	29,303,435
Recreation	35,808,927
Rural Development	5,459,422
Urban Development	30,299,992
TOTAL WELFARE	292,222,972
TOTAL GRANTS	$1,190,799,798

*Source: The Foundation Center, 1982

y Subject Categories in 1980 and 1981

Amount			No. of Grants			
	1981		1980		1981	
2.0%	$ 52,323,219	4.2%	534	2.5%	776	3.5%
3.0	43,139,967	3.4	498	2.3	554	2.5
1.4	12,772,923	1.0	328	1.5	360	1.6
0.8	20,066,708	1.6	227	1.0	302	1.4
2.3	20,915,886	1.7	492	2.3	399	1.8
2.0	24,513,970	1.9	610	2.8	799	3.6
2.0	18,827,272	1.5	602	2.8	688	3.0
13.5	192,559,945	15.3	3,291	15.2	3,878	17.4
1.6	22,764,612	1.8	444	2.0	506	2.3
0.8	9,867,033	0.8	128	0.6	122	0.5
3.0	46,130,529	3.7	1,053	4.9	997	4.5
16.7	181,576,053	14.4	2,949	13.7	2,717	12.2
0.3	5,513,078	0.4	145	0.7	164	0.7
22.4	265,851,305	21.1	4,719	21.9	4,506	20.2
0.4	15,445,092	1.2	116	0.5	224	1.0
5.4	67,511,595	5.4	553	2.6	587	2.6
12.3	118,571,590	9.5	1,593	7.4	1,750	7.8
5.0	53,290,926	4.2	610	2.8	569	2.5
0.9	14,254,591	1.1	357	1.7	446	2.0
1.1	13,457,808	1.1	265	1.2	170	0.8
25.1	282,531,602	22.5	3,494	16.2	3,746	16.7
—	9,330,573	0.8	—	—	232	1.0
—	15,348,099	1.2	—	—	172	0.8
2.4	24,678,672	2.0	718	3.3	404	1.8
—	22,689,341	1.8	—	—	229	1.0
—	31,027,168	2.5	—	—	325	1.5
—	17,776,009	1.4	—	—	399	1.8
—	15,235,026	1.2	—	—	315	1.4
6.4	86,727,544	6.9	1,375	6.3	1,200	5.7
—	22,981,978	1.8	—	—	316	1.4
—	944,350	0.1	—	—	19	0.1
—	12,695,560	1.0	—	—	260	1.2
—	12,343,675	1.0	—	—	218	1.0
—	26,465,713	2.1	—	—	460	2.1
5.7	75,431,276	6.0	1,182	5.5	1,273	5.8
5.1	73,616,556	5.9	2,076	9.7	2,488	11.1
2.2	37,485,732	3.0	810	3.8	692	3.1
5.7	80,868,899	6.4	1,507	7.0	1,685	7.5
—	479,061	0.03	—	—	22	0.1
—	10,371,000	0.8	—	—	207	0.9
3.0	46,271,003	3.7	587	2.7	589	2.6
2.5	16,088,325	1.3	584	2.7	361	1.6
3.0	38,886,934	3.1	718	3.3	774	3.5
0.5	7,050,882	0.6	84	0.4	89	0.4
2.5	18,157,363	1.4	445	2.0	340	1.5
24.5	329,275,755	26.2	6,811	31.6	7,247	32.4
100.0%	$1,257,056,099	100.0%	21,590	100.0%	22,322	100.0%

But grants made by the foundations increased by 48 percent in current dollars over the period and 9.7 percent in real value.

The Center said that the community foundations showed a greater decline in constant dollar assets than independent foundations. But the Center added that they lost less ground than the independents in a four-year evaluation of their gifts and have maintained a better level of giving capacity.

An exceptionally large gift to the San Francisco Foundation in the amount of $264 million from the Leonard and Beryl Buck Foundation was not included in the analysis made by the Foundation Center.

Giving by CORPORATIONS

	Contributions	Pretax Net Income (Billions)	Percent of Pretax Net Income
1970	$ .797	$ 75.4	1.05
1971	.865	86.6	0.99
1972	1.009	100.6	1.00
1973	1.174	125.6	0.93
1974	1.200	136.7	0.87
1975	1.202	132.1	0.90
1976	1.487	166.3	0.89
1977	1.800†	192.6	0.93
1978	2.250†	223.3	1.00
1979	2.450†	255.4	0.95
1980	2.700†	245.5	1.09
1981	3.000†	232.9	1.29

†CFAE estimate
‡AAFRC estimate

Sources: Department of Commerce, Internal Revenue Service, The Conference Board

America's business community, straining under a decrease in its profits and facing a record number of requests for aid from nonprofit institutions and agencies, contributed $3.00 billion to charitable organizations in 1981.

The contributions represented an all-time high and came during a year when the federal government, seeking some moderation within its own spending, pointed to business to fill much of the void its budget cuts would create.

But the increase in contributions from the business community, which the American Association of Fund-Raising Counsel said was 11.1 percent from the revised $2.70 billion given a year earlier, was not directly attributable to the government's asking business to do more. Rather, it was natural growth—and that can be ascribed more to the business com-

munity's own desire to increase its social responsibility and what one national survey of over 1,000 corporations termed "enlightened self-interest" than anything else.

As a portion of pretax net income for all corporations in the United States corporate giving equalled 1.29 percent, and that was approached only once in history—in 1969 when it reached 1.22 percent.

Corporate giving in 1981 was not boosted by any great jump in business profits since for the second year in a row overall profits declined. The government's Commerce Department said that in 1981 overall pretax net income for all U.S. corporations shrunk by 5.1 percent from year-earlier levels and totaled $232.9 billion. And that represented a slide of 8.8 percent in corporate pretax net income from the $255.4 billion reached in 1979.

But despite the overall decline and some feeble performances in the fourth quarter of the year, a group of 1,200 businesses were able to report fairly respectable performances for the year as a whole.

A study conducted for McGraw-Hill showed, for example, that after-tax profits of 1,200 large corporations were up by 8 percent from year-earlier levels, and that meant a gain of a little more than $9 billion.

The bad news was that the gains were concentrated in just a few industries—with nearly a third of the total rise attributed to increases among the large utilities.

McGraw-Hill said the only other major component of the total gain came from oil service and supply companies.

The McGraw-Hill figures are fairly solid, but the Commerce Department's totals for pretax net income are likely to be changed, since they cover over 2.5 million corporations in the United States. When they are revised, the percentage of pretax net income going to nonprofit institutions and agencies will also change.

The portion of pretax net income before taxes is commonly used as a measurement of corporate contributions, but it does not give by any means a true picture. This is simply because all corporations in the U.S. are included in the total for net income, but obviously only those corporations that make charitable contributions are included in the corporate giving total. And that is only 23.4 percent of all businesses in the country.

Thus, the percent is significantly lower than what it would be if the contributions were divided by the

Distribution of Corporate Contributions
(millions of dollars)

	1980 732 companies		1979 786 companies		1978 759 companies	
Health and Welfare	$337.9	34.0%	$292.6	35.0%	$255.9	36.9%
Education	375.8	37.8	314.8	37.7	256.3	37.0
Culture and Art	108.7	10.9	82.5	9.9	70.0	10.1
Civic Activities	116.8	11.7	97.3	11.6	79.0	11.4
Other	55.4	5.6	48.3	5.8	32.0	4.6
	$994.6	100.0%	$835.5	100.0%	$693.2	100.0%

Source: *Annual Survey of Corporate Contributions*, 1980, The Conference Board; Council for Financial Aid to Education.

Contributions as a Percent of Domestic Pretax Net Income, 1980

Companies Grouped by Industry Class

Industrial Classification	Number of Companies	Domestic Pretax Net Income ($ Millions)	Contributions ($ Thousands)	Percent of Contributions to Domestic Pretax Net Income All Companies[1]
Chemicals	26	$ 4,854	$ 39,482	0.81%
Electrical machinery and equipment	20	5,629	44,892	0.80
Fabricated metal products	15	396	3,123	0.79
Food, beverage and tobacco	30	3,929	32,326	0.82
Machinery, nonelectrical	27	1,587	20,117	1.27
Mining	4	784	4,661	0.59
Paper and like products	17	1,475	18,568	1.26
Petroleum and gas	24	23,791	153,868	0.65
Pharmaceuticals	9	1,575	31,117	1.98
Primary metal industries	14	1,616	20,408	1.26
Printing and publishing	6	630	10,780	1.71
Rubber and miscellaneous plastic products	8	*	5,815	*
Stone, clay and glass products	10	562	3,535	0.63
Textiles	12	652	9,137	1.40
Transportation equipment	12	3,094	27,149	0.88[1]
Total: Manufacturing	234	50,573	424,978	0.84[1]
Banking	65	1,809	26,967	1.49
Business services	12	495	3,023	0.61
Engineering and construction	3	537	3,640	0.68
Finance	4	259	2,163	0.83
Insurance[2]	68	5,922	46,529	0.79
Merchandising	12	709	18,669	2.63
Telecommunications	21	10,380	37,722	0.36
Transportation	9	2,248	14,158	0.63
Utilities	73	9,741	28,259	0.29
Total: Nonmanufacturing	267	32,102	181,130	0.56
Total: All Companies	501	82,674	606,108	0.73[1]

[1]Twenty-three companies showing net loss were recorded. In 20 of these cases, losses have been subtracted from positive income for the group. However, because of the multi-billion dollar losses in the auto industry, deficits for the major auto manufacturers as well as their contributions, have been removed. If their contributions were counted, and their full losses were deducted from the income column, the manufacturing ratio would be 1.01 and the ratio for all companies would be 0.83. The transportation equipment industry would show an income loss, and no ratio would be calculated.

[2]Insurance company figures are based on "net gain from operations after dividends to policyholders and before federal income tax, excluding capital gains and losses"—the closest measure to pretax net income of corporations generally.

*Indicates income deficit. No ratio has been calculated.

Source: *Annual Survey of Corporate Contributions*, 1980, The Conference Board; Council for Financial Aid to Education

pretax net income of the contributing companies only.

But while the portion of pretax net income given to charitable organizations has hovered near the one percent mark for as long as records have been kept, there is a growing number of companies throughout the United States seeking to boost that percent to higher levels.

They have done this for the most part through the formation of "clubs" of corporations which annually give either two percent or five percent of their income to nonprofit organizations.

As of the end of 1981 there were nine cities in the United States with

two and five percent clubs. The five percent clubs—located in Minneapolis where the whole idea started, Baltimore, Birmingham, Ala., and Louisville—have a total of 138 companies participating; while the two percent clubs—in San Francisco, Kansas City, Minneapolis, Seattle and Phoenix—have 249 member companies.

Corporate leaders in Washington, D.C., were forming a two percent club in late 1981.

The estimate made each year for corporate giving is based on a number of reports from key charitable organizations which receive corporate support and from studies conducted by umbrella groups among corporate contributors.

The Annual Survey of Corporate Contributions, conducted each year by Anne Klepper and Kathryn Troy of the Conference Board and Hayden W. Smith and Anne Decker of the Council for Financial Aid to Education, gives insight to the structure of corporate giving in the United States.

The latest joint survey covers 1980, and it shows that for the third consecutive year education has outranked all other segments in the philanthropic community as a beneficiary of corporate giving.

Of all the companies reporting, a total of $994.6 million was donated to nonprofit organizations, an increase of 19 percent, or $159 million, from the $835.5 million given a year earlier. But the increase appears even more significant since there were 732 companies reporting in the latest survey, a drop of 54 firms from the 786 that reported a year earlier.

The study showed a total of $375.8 million given to educational institu-

Corporate Contributions, Two Survey Years
549 Companies Reporting Worldwide Pre-Tax Net Income in Both Years

	1980 (000)	As a % of PTNI	As a % of Total Contributions	1979 (000)	As a % of PTNI	As a % of Total Contributions	% Change 1979-80
Total Worldwide PTNI. . . .	$152,609,110[1]			$150,171,304			1.6+
Total Contributions	$901,777	0.59	100.0	$754,128	0.50	100.0	19.6+
Health and Welfare . . .	301,142	0.20	33.4	259,204	0.17	34.4	16.2+
Education	343,176	0.22	38.1	289,458	0.19	38.4	18.6+
Culture and Art	99,973	0.07	11.1	75,211	0.05	10.0	32.9+
Civic Causes	107,304	0.07	11.9	88,039	0.06	11.7	21.8+
Other	50,182	0.03	5.5	42,216	0.03	5.5	18.9+
380 Companies Reporting U.S. Pre-Tax Net Income in Both Years							
Total U.S. PTNI.	$ 65,815,265[2]			$ 67,281,104			2.2–
Total Contributions	$528,128	0.80	100.0	$431,217	0.64	100.0	22.5+
Health and Welfare . . .	179,599	0.27	34.0	151,381	0.22	35.1	18.6+
Education	200,509	0.30	37.8	165,817	0.25	38.4	20.9+
Culture and Art	59,764	0.09	11.3	44,635	0.07	10.4	33.9+
Civic Causes	57,550	0.09	10.9	45,305	0.07	10.5	27.0+
Other	30,706	0.05	5.8	24,079	0.04	5.6	27.5+

[1]Auto industry losses and contributions dollars are included in these data. If they were excluded, the ratio of contributions to PTNI for 1980 would be 0.55, contrasted to 0.49 for 1979. The percentage change would be 9.1+ in PTNI and 21.3+ in contributions.

[2]Auto industry losses and contributions dollars are included in these data. If they were excluded, the ratio of contributions to PTNI for 1980 would be 0.71, contrasted to 0.62 for 1979. The percentage change would be 9.5+ in PTNI and 25.7+ in contributions.

Source: *Annual Survey of Corporate Contributions*, 1980, The Conference Board; Council for Financial Aid to Education

The Contributions Dollar, 1979 and 1980

	1980—732 Companies		1979—786 Companies	
	($ Thousands)	Percent of Total	($ Thousands)	Percent of Total
Health and Welfare:				
Federated drives: United Ways and the like	$170,652	17.1%	$168,878	20.2%[b]
National health agencies	11,362	1.1		
National welfare agencies	5,434	0.5		
Hospitals:				
Capital grants	29,848	3.0		
Operating grants	11,063	1.1		
Employee matching gifts for hospitals	1,540	0.1		
Youth agencies	29,710	3.0		
Agencies for senior citizens/elderly	3,467	0.3		
Other local health and welfare (human services) agencies	40,933	4.1		
Subcategory not identified	33,857	3.4		
Total health and welfare	337,866	34.0[a]	292,641	35.0[b]
Education:				
Higher education institutions:				
Unrestricted operating grants	55,964	5.6		
Student financial aid	15,266	1.5		
Departmental and research grants	64,685	6.5		
Capital grants (including endowment)	46,374	4.7		
Employee matching-gift programs	45,418	4.6		
Grants to state and national fund-raising groups	14,854	1.5		
Pre-college educational institutions:				
Employee matching gifts	3,403	0.3		
All other support	9,287	0.9		
Scholarships and fellowships	31,180	3.1		
Education-related organizations:				
Economic education	15,135	1.5		
All other support	18,170	1.8		
Other	21,464	2.2		
Subcategory not identified	34,647	3.5		
Total education	375,877	37.8[a]	314,845	37.7[b]
Culture and Art:				
Music	14,664	1.5		
Museums	23,336	2.4		

tions, a gain of 19.4 percent from the $314.8 million reported a year earlier. As a portion of total corporate contributions, education represented 37.8 percent, about the same as a year earlier.

Organizations in the health and welfare category received $337.9 million, or 34.0 percent of the total, in the most recent survey year. The percentage of total was down one point from a year earlier when it stood at 35.0 percent, but the year-to-year increase was 15.4 percent.

The percentage drop in giving to health and welfare organizations was made up by culture and art groups, according to data in the survey. Organizations in that segment of philanthropy received a total of $108.7 million, or 10.9 percent of all corporate contributions, compared with

	1980—732 Companies		1979—786 Companies	
	($ Thousands)	Percent of Total	($ Thousands)	Percent of Total
Public TV/Radio	16,310	1.6		
Arts funds or councils	9,032	0.9		
Theaters	7,042	0.7		
Cultural centers	11,361	1.1		
Dance	3,182	0.3		
Libraries (other than academic)	2,670	0.3		
Employee matching gifts for culture and art	2,065	0.2		
Other	8,011	0.8		
Subcategory not identified	11,000	1.1		
Total culture and art	108,673	10.9	82,509	9.9[b]
Civic Activities:				
Community improvement	47,304	4.7		
Environment and ecology	10,794	1.1		
Justice and law	6,065	0.6		
Housing and urban renewal	7,711	0.8		
Research organizations other than academic	16,031	1.6		
Other	14,863	1.5		
Subcategory not identified	14,290	1.4		
Total civic activities	116,788	11.7	97,345	11.6[b]
Other:				
Religious activities	1,616	0.2		
Women's causes	2,791	0.3		
Groups in U.S. whose principal objective is aid to other countries	17,348	1.7		
Activities other than above	23,167	2.3		
Subcategory not identified	10,529	1.1		
Total other	55,452	5.6	48,256	5.8[b]
Grand total	$994,626	100.0%	$835,596	100.0%

[a]*Subcategory percentages do not add up to this total because of rounding.*
[b]*No data on giving to the subcategories were collected in 1979.*

Source: *Annual Survey of Corporate Contributions*, 1980. The Conference Board; Council for Financial Aid to Education

$82.5 million, or 9.9 percent, in 1979. The annual increase was a massive 31.8 percent, lending credibility to the belief that the arts and culture organizations are the fastest growing in philanthropy, although the actual dollar increase, $26 million, was less than half the $61 million dollar gain for education.

Contributions to organizations in the civic area increased last year to $116.8 million from the business community represented in the joint survey. That was a gain of 20 percent from the $97.3 million given a year before, reflective of the concern of the business community with areas such as housing, transportation, delinquency, crime prevention, recreation and the ecology.

Giving by corporations participating in the survey to the "other" cate-

gory, including American groups providing aid to foreign causes, totaled $55.4 million in the most recent study, an increase of 15 percent from year earlier levels. As a portion of all corporate giving, it represented 5.6 percent, down slightly from 5.8 percent the year before.

Another survey, conducted by the American Association of Fund-Raising Counsel, revealed that 80 percent of all the corporations questioned increased their charitable giving in 1981.

Eight percent said they cut contributions last year and another eight percent said their giving remained the same as in 1980.

But those who increased their contributions did so at an annual rate of 16.9 percent—significantly higher than the overall increase of 11.1 percent for all corporate contributions.

The firms that responded to the AAFRC survey had average increases of 136.5 percent in giving over the past five years and 93 percent said they experienced an increase in the volume of requests for support from nonprofit organizations.

The great majority attributed the increase in requests to the federal cutbacks and half of those who responded to the survey said the cuts influenced their giving habits.

While they did not indicate the manner in which their giving was influenced, the Corporate Support Program Research Project conducted for United Way of America suggested that corporations do not tend to make any dramatic changes in the organizations they support.

The CSPRP survey showed that companies support those organizations with which they have a funding relationship. Some 90 percent of the respondents said more than half of the organizations they currently support have received contributions from them at least once before during the past three years. Thus, an organization not receiving corporate support may have some difficulty getting it in the future. But by the same token, those currently getting corporate grants will not have much problem when seeking added assistance.

The AAFRC study disclosed that the increases in requests for support from the business community were running at an average rate of 48.9 percent above the number of requests received by the same companies before the federal cutbacks were announced.

In examining the portion of company contributions given to national organizations as opposed to organizations located in areas where the company has facilities, 70.5 percent of all giving reported in the AAFRC survey was donated to organizations in local areas.

The portions of corporate donations that went to varying philanthropic segments differed slightly from the breakdowns in the Conference Board-CFAE study. In the AAFRC sampling, 15.7 percent of all corporate donations were given to art and cultural organizations, compared with 10.9 percent in the Conference Board-CFAE study.

Education received 34.6 percent in the AAFRC study, compared with 37.8 percent in the other sampling, while the health and welfare category received 32.7 percent in the AAFRC survey and 34.0 in the Conference Board-CFAE study.

The other categories—civic and public affairs and "other" were about the same in both surveys.

The prime motivation for corporate charitable giving is the concept of "enlightened self-interest" according to

results of a survey conducted among the nation's largest companies.

The Corporate Support Program Research Project said the concept of "enlightened self interest" is based on charitable giving that directly or indirectly benefits the corporation or its employees. An example is a corporation which contributes to a hospital building program which will serve its employees as well as the general community.

Almost 90 percent of the corporations responding to the survey indicated they consider the potential benefits to employees as very important when deciding the amount of their contribution to a charitable organization. Additionally, employee involvement in the charitable organization was considered important by 85 percent of the corporations.

The survey was conducted among more than 1,000 of the largest corporations in America, with 64 percent of the respondents classified as manufacturing companies and 36 percent as financial, insurance, retail, transportation or utilities companies.

Chief executive officers of the companies were asked to respond to a variety of written questions regarding their charitable contributions programs including the criteria used to make decisions on the recipients of their giving.

Also identified were the characteristics of charitable programs considered to be important by the corporations when making decisions on how much to contribute.

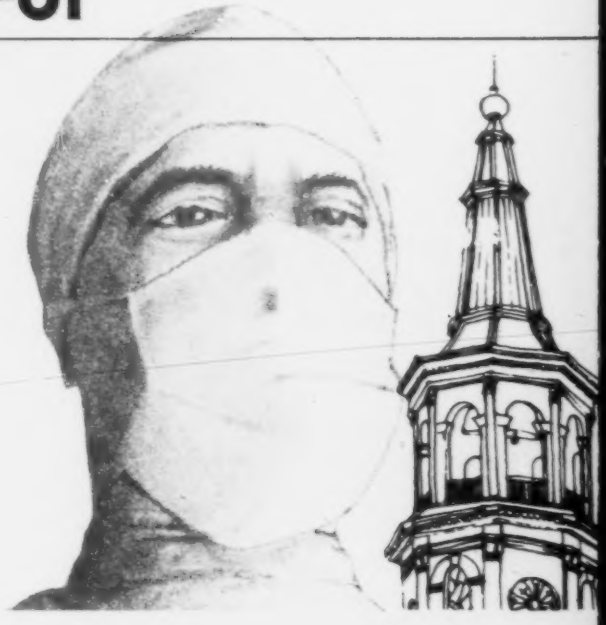
Characteristics of charities that corporations deem important include the cost efficiency of the charity, the extent to which the charity provided services on a local community basis and whether it helps people who wouldn't otherwise be helped.

Those charitable programs that rank high on the corporations' list of approved services include: youth social services, minority social services, hospital building programs and neighborhood arts and cultural activities.

TOTAL GIVING 1955-81

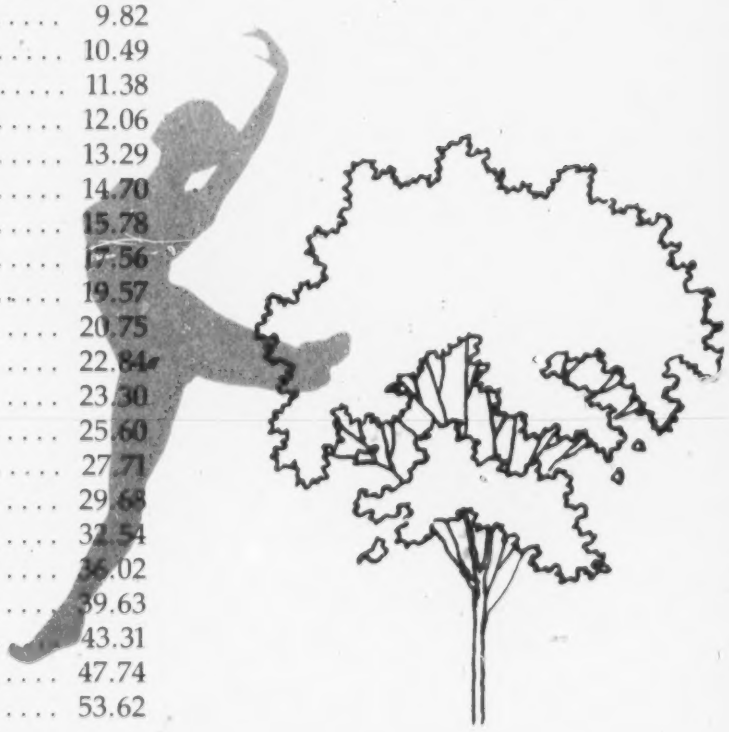
The Growth of Philanthropy 1968-79

Year	Total Giving (billions)	Gross National Product (billions)	As % of GNP
1968	$17.56	$ 864.2	2.03
1969	19.57	930.3	2.10
1970	20.75	977.1	2.12
1971	22.84	1,054.9	2.16
1972	23.30	1,158.0	2.01
1973	25.60	1,306.3	1.96
1974	27.71	1,406.9	1.97
1975	29.68	1,499.0	1.98
1976	32.54	1,691.4	1.92
1977	36.02	1,887.2	1.91
1978	39.63	2,106.9	1.88
1979	43.31	2,368.8	1.83
1980	47.74	2,626.5	1.82
1981	53.62	2,924.8	1.83



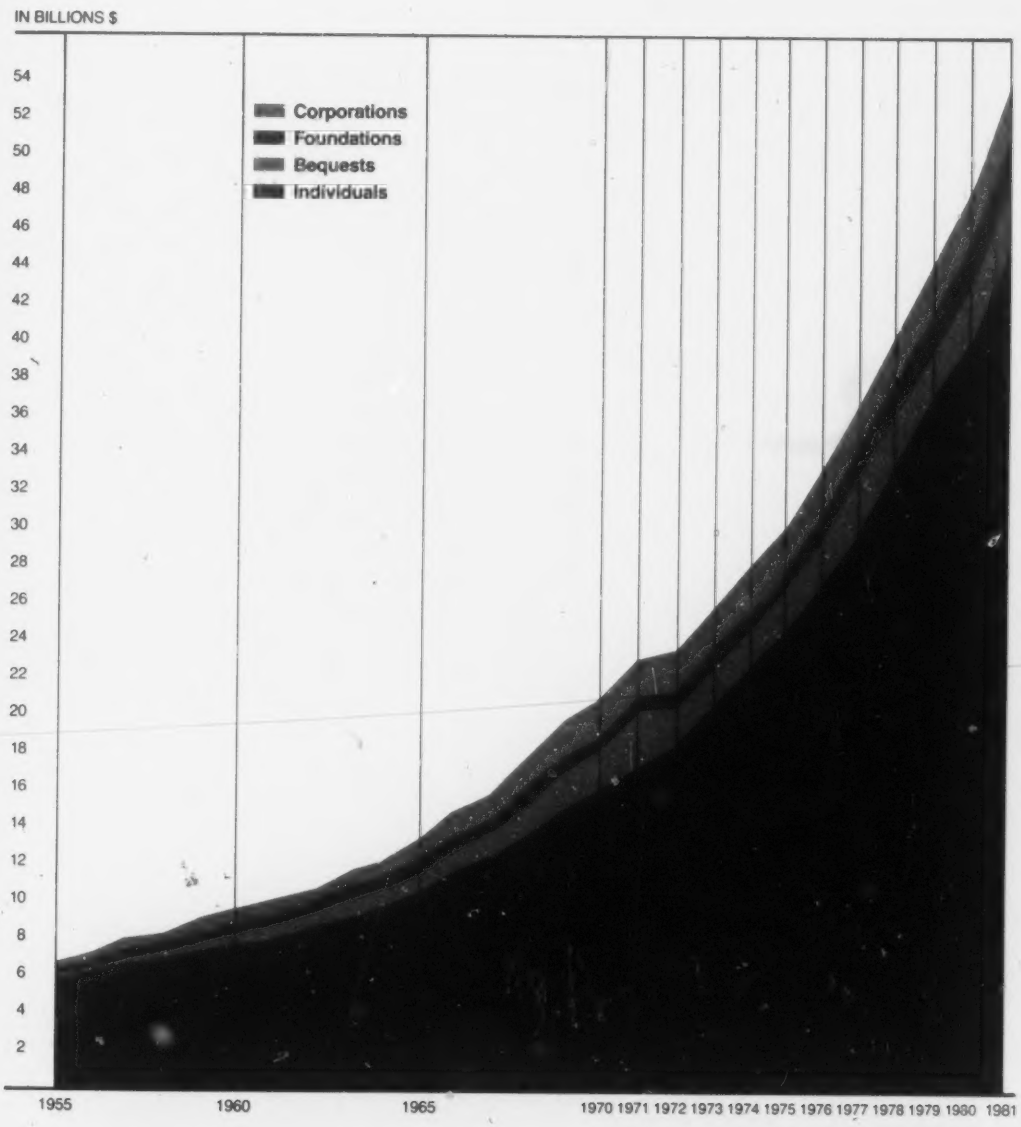
(in billions)

	Amount
1955	$ 6.66
1956	7.08
1957	7.89
1958	8.14
1959	8.95
1960	9.39
1961	9.82
1962	10.49
1963	11.38
1964	12.06
1965	13.29
1966	14.70
1967	15.78
1968	17.56
1969	19.57
1970	20.75
1971	22.84
1972	23.30
1973	25.60
1974	27.71
1975	29.68
1976	32.54
1977	36.02
1978	39.63
1979	43.31
1980	47.74
1981	53.62



DONORS

Corporations	Foundations	Bequests	Individuals
1955 ..... $ .415	1955 ..... $ .300	1955 ..... $ .237	1955 ..... $ 5.71
1956 ..... .418	1956 ..... .305	1956 ..... .239	1956 ..... 6.08
1957 ..... .419	1957 ..... .502	1957 ..... .450	1957 ..... 6.52
1958 ..... .395	1958 ..... .505	1958 ..... .451	1958 ..... 6.79
1959 ..... .482	1959 ..... .702	1959 ..... .512	1959 ..... 7.26
1960 ..... .482	1960 ..... .710	1960 ..... .574	1960 ..... 7.63
1961 ..... .412	1961 ..... .702	1961 ..... .650	1961 ..... 7.96
1962 ..... .595	1962 ..... .701	1962 ..... .701	1962 ..... 8.50
1963 ..... .657	1963 ..... .821	1963 ..... .880	1963 ..... 9.03
1964 ..... .729	1964 ..... .830	1964 ..... .951	1964 ..... 9.55
1965 ..... .785	1965 ..... 1.13	1965 ..... 1.02	1965 ..... 10.36
1966 ..... .805	1966 ..... 1.25	1966 ..... 1.31	1966 ..... 11.33
1967 ..... .830	1967 ..... 1.40	1967 ..... 1.40	1967 ..... 12.15
1968 ..... 1.005	1968 ..... 1.60	1968 ..... 1.60	1968 ..... 13.36
1969 ..... 1.055	1969 ..... 1.80	1969 ..... 2.00	1969 ..... 14.71
1970 ..... .797	1970 ..... 1.90	1970 ..... 2.13	1970 ..... 15.92
1971 ..... .865	1971 ..... 1.95	1971 ..... 3.00	1971 ..... 17.02
1972 ..... 1.009	1972 ..... 2.00	1972 ..... 2.10	1972 ..... 18.19
1973 ..... 1.174	1973 ..... 2.00	1973 ..... 2.00	1973 ..... 20.43
1974 ..... 1.200	1974 ..... 2.11	1974 ..... 2.07	1974 ..... 22.33
1975 ..... 1.202	1975 ..... 2.01	1975 ..... 2.23	1975 ..... 24.24
1976 ..... 1.487	1976 ..... 2.13	1976 ..... 2.36	1976 ..... 26.57
1977 ..... 1.800	1977 ..... 2.01	1977 ..... 2.99	1977 ..... 29.22
1978 ..... 2.084	1978 ..... 2.16	1978 ..... 2.60	1978 ..... 32.79
1979 ..... 2.450	1979 ..... 2.24	1979 ..... 2.23	1979 ..... 36.39
1980 ..... 2.700	1980 ..... 2.40	1980 ..... 2.86	1980 ..... 39.78
1981 ..... 3.000	1981 ..... 2.62	1981 ..... 3.49	1981 ..... 44.51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Corporations
Foundations
Bequests
Individuals
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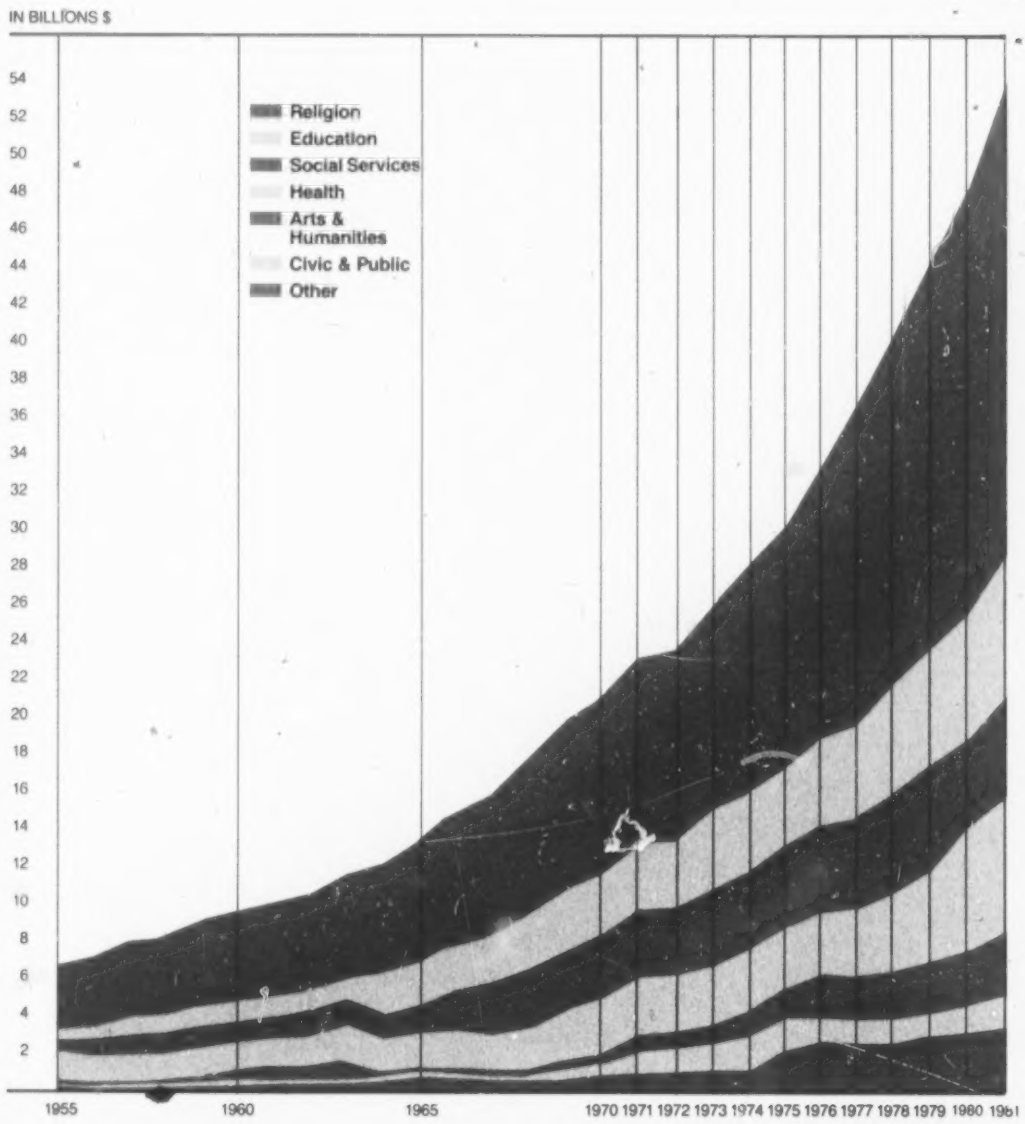
1965
1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981

RECIPIENTS

	Religion	Education	Social Services	Health & Hospitals	Arts & Humanities	Civic & Public	Other
1955	$ 3.33	$ .733	$1.53	$ .596	$ .199	$.075	$ .197
1956	3.75	.637	1.42	.920	.142	.070	.142
1957	4.02	.868	1.50	1.01	.159	.079	.254
1958	4.15	.977	1.47	1.14	.163	.082	.160
1959	4.56	1.34	1.43	1.15	.197	.090	.183
1960	4.79	1.50	1.41	1.13	.188	.094	.282
1961	5.01	1.57	1.47	1.18	.195	.098	.297
1962	5.25	1.68	1.57	1.36	.210	.112	.298
1963	5.58	1.93	1.71	1.48	.225	.114	.341
1964	5.91	2.05	1.69	1.45	.205	.157	.598
1965	6.51	2.26	1.86	1.46	.226	.173	.797
1966	7.06	2.35	1.91	2.07	.376	.230	.701
1967	7.40	2.45	1.89	2.82	.379	.231	.610
1968	8.22	2.93	2.11	3.02	.404	.228	.648
1969	8.85	3.17	2.54	3.23	.548	.391	.842
1970	9.30	3.24	2.88	3.40	.623	.415	.892
1971	9.98	3.56	2.92	3.65	.916	.594	1.22
1972	10.02	3.66	2.99	3.77	.930	.650	1.28
1973	10.52	4.10	3.06	4.15	1.25	.610	1.91
1974	11.94	4.14	3.12	4.29	1.30	.770	2.15
1975	12.91	3.95	3.14	4.42	1.72	.890	2.65
1976	14.22	4.49	3.16	4.85	2.31	1.07	2.44
1977	16.93	4.75	3.52	4.90	2.27	1.17	2.48
1978	18.45	5.56	3.97	5.48	2.50	1.18	2.54
1979	20.14	5.99	4.35	5.95	2.70	1.20	2.94
1980	22.15	6.68	4.73	6.49	2.96	1.36	3.37
1981	24.85	7.49	5.32	7.36	3.35	1.54	3.71


IN BILLIONS $
54
52
50
48
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44
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4
2
Religion
Education
Social Services
Health
Arts & Humanities
Civic & Public
Other
1955
1960
1965
1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981

AREAS OF PHILANTHROPIC OPPORTUNITY

Religion
Education
Social Services
Health & Hospitals
Arts & Humanities
Civic & Public

Giving to RELIGION

	Amount (Billions)
1970	$9.30
1971	9.98
1972	10.02
1973	10.52
1974	11.94
1975	12.91
1976	14.22
1977	16.93
1978	18.45
1979	20.14
1980	22.15
1981	24.85

The nation's churches, synagogues and religious organizations received a record-breaking $24.85 billion in charitable contributions during 1981, a double-digit boost from the total received a year earlier.

The American Association of Fund-Raising Counsel said that contributions to religious institutions and organizations during 1981 were more than double the total received just seven years ago.

As a portion of total philanthropy in the United States, contributions to religion maintained their historic first place category by a near four-to-one margin over any other segment of the philanthropic community and equalled 46.3 percent, the same as a year before.

The annual growth rate of 12.2 percent achieved in 1981 was significantly higher than the rate of inflation, which the government's Bureau of Labor Statistics said averaged 8.9 percent for the country as a whole.

And the growth rate meant that for the first time in three years religious organizations were able to make some headway in their battle of dollar stretching for such things as salaries, equipment, program costs, utilities and building upkeep. But they were not making any gains in other battles—particularly in church attendance and membership.

Figures compiled by the National Council of Churches show that a total of 40 Protestant denominations reported total contributions of $8.8 billion and that appears to be a gain from a year earlier. But because the number of denominations that report to the NCC varies each year, a direct comparison is not possible.

The 40 communions that reported in the latest period showed an average per capita gift of $213.41 and that was up 8.1 percent from the year before.

But an even larger gain in per capita giving was shown by a control group of 12 large Protestant religions.

In an analysis of contributions made to that group, the average per capita gift jumped 13.3 percent to $201.84, a new high among the 12 major denominations.

Total contributions to those dozen major religious organizations increased as well and reached $7.9 billion, which represented an annual gain of 9.9 percent. But at the same time, membership among the 12 organizations declined by more than a million to 39.3 million, indicating that while there were fewer people giving, those that did give gave more.

While overall giving to religion rose enough in 1981 to offset losses caused by inflation and thereby solved—at least for the time being—one of the major problems faced by the nation's religious organizations, some of the other issues that have crept toward the surface in the recent

Protestant Giving in 12 Denominations

Church & Membership	Total Contributions (millions)	Per Capita Gift
American Baptist Churches in the U.S.A. (1.60 million)	$230.98	$144.31
American Lutheran Church (1.76 million)	$377.83	$214.30
Church of the Nazarene (483,101)	$220.21	$455.82
Episcopal Church (1.93 million)	$507.31	$262.38
Lutheran Church in America (2.17 million)	$459.42	$211.04
Lutheran Church—Missouri Synod (2.63 million)	$457.38	$231.71
Presbyterian Church in the U.S. (838,485)	$290.48	$346.43
Seventh-Day Adventists (571,141)	$397.27	$695.27
Southern Baptist Convention (13.60 million)	$2,481.35	$182.45
United Church of Christ (1.73 million)	$322.58	$185.80
United Methodist Church (9.58 million)	$1,483.48	$154.77
United Presbyterian Church in the U.S.A. (2.42 million)	$705.91	$291.27
Total Membership: 39.31 million		
Total Contributions $7,934.2 million (up 9.9%)	*Average Per Capita Gift:* $201.84 (up 13.3%)	

**Full or confirmed figures are given*

Source: *Yearbook of American and Canadian Churches, 1982 edited by Constant H. Jacquet, Jr., Nashville, Abingdon Press, 1982*

past remained.

Church Attendance

Church giving, in all faiths, is closely tied to church attendance and there was not much good news in that area.

In the latest available national sampling of church attendance, 40 percent of all adults 18 years of age and older said they attended church or temple services.

That represents a worrisome statistic for church officials since it is not only a drop from the high point of 49 percent attendance achieved in 1958 but a continuing decline. Or, viewed another way, the last time church attendance increased was in 1976, when it reached 42 percent, from 40 percent the year before.

The decline appears to have been sharpest among Catholics, with attendance at Mass falling 22 points—

from 74 to 52 percent between 1958 and 1978.

But at 53 percent currently, attendance among Catholics is still higher than the national average for all religions and it has remained relatively stable since 1973.

Among Protestants, attendance has changed little—declining five percentage points from 44 percent to 39 percent between 1958 and 1980.

The church attendance surveys, which are conducted by the Gallup Organization and reported each year in *Religion in America,* revealed that attendance among Jews dropped between the mid-50s and the early 70s but has since taken an upturn. Having reached a low of 17 percent in the 1970–74 period, Jewish attendance at Synagogue currently stands at 24 percent.

Church/Synagogue Attendance

1939	41 pct.
1940	37 *
1950	39
1954	46
1955	49 **
1956	46
1957	47
1958	49 **
1959	47
1960	47
1961	47
1962	46
1963	46
1964	45
1965	44
1966	44
1967	43
1968	43
1969	42
1970	42
1971	40
1972	40
1973	40
1974	40
1975	40
1976	42
1977	41
1978	41
1979	40
1980	40

* Low point in church attendance
** High points in church attendance

Source: *Religion in America, 1981*

Attended Church/Synagogue

National	40%
Religion	
Protestants	39
Catholics	53
Jews	25
Baptists	40
Methodists	34
Lutherans	40
Presbyterians	28
Episcopalians	31
Sex	
Male	36
Female	44
Race	
White	39
Non-white	44
Education	
College	40
High school	39
Grade school	43
Region	
East	40
Midwest	45
South	42
West	29
Age	
Total under 30	31
18-24 years	31
25-29 years	30
30-49 years	40
50 & older	47
Marital Status	
Married	72
Single	59
Divorced	57
Widowed	80
Those who say religion is 'very important' in their lives	58
Fairly	22
Not very	4
Church members	54
Non-members	9

Source: *Religion in America, 1981*

Church Membership

In an effort to increase regular attendance at services and thereby increase contributions and support, religious leaders must look at those Americans who are members of a specific religious group. And in that area, there has been a slight gain from a decline that first began in the mid-1940s.

Sixty-nine percent of all Americans questioned by the Gallup Organization said they are members of a specific religious organization, about the same as in the past three years.

Gallup reported that those most likely to say they are members of a church or synagogue are women (73 percent); non-whites (71 percent); adults 50 years of age and older (76 percent); married persons (72 percent); those living in the Midwest (73 percent); and those living in the South (75 percent).

There was no significant difference found on the basis of education, Gallup said, with 70 percent of those having a college education saying they are members and 68 percent among those with a high school education being members of a particular religion.

The National Council of Churches said that church membership among Protestant faiths rose last year by 1 percent and totaled 115,590,825, or 58.7 percent of the population in the United States.

And P. J. Kenedy & Sons, publishers of the *Official Catholic Directory*, said that Catholics in the United States totaled 50,449,842, a gain of 637,664 in the one-year period.

There were 33 Archdioceses in the U.S. and 138 Dioceses, with Chicago remaining the largest Archdiocese, followed by Los Angeles and Boston. Brooklyn (N.Y.) continued to be the largest Diocese, followed by Rockville Centre (Long Island).

Church Membership
(Self-classification)

Major Faiths:	
Catholics	80%
Protestants	71
Jews	51
5 Major Protestant Churches:	
Baptists	75
Methodists	72
Lutherans	76
Presbyterians	75
Episcopalians	70
By Demographics:	
East	69
Midwest	73
South	75
West	53
18-29 years	59
30-49 years	68
50 and over	76
College background	70
High school	68
Grade school	70
Men	64
Women	73
Whites	68
Non-whites	71
Married	72
Single	59
Divorced	57

Source: *Religion in America, 1981*

Eight of the Catholic Dioceses reported no change in population, 41 reflected decreases and 89 showed an increase.

Patterns for church membership closely follow the pattern of church attendance, with the most regular attenders being women, non-whites, older adults, persons living in the Midwest and South and Catholics.

The Gallup study concluded that it is important to note that while church membership for all faiths had been on the decline, certain denominations—particularly those in the

evangelical group—had reported membership gains.

Much of the overall gain in the evangelical area can be attributed to television—what is generally called the "electronic church."

The electronic church has proved to be one of the most remarkable developments in religion in America, with more than 1,400 religious radio stations, 35 religious TV stations and four religious TV networks in operation.

But the latest figures from the National Association of Broadcasters show audiences of the top TV ministers, including Oral Roberts, Jerry Falwell, Rex Humbard and Jimmy Swaggart, fell a total of 6.6 percent, or 600,000 households, between the middle of 1980 and mid-1981. Some of that loss may have resulted in the gains among the mainline churches.

Losses in viewing audience ranged from 12.3 percent for Oral Roberts to 16.8 percent for Jerry Falwell, the NAB said, and it was not because there were fewer stations carrying the programs. In fact, most of the top ten TV ministers actually increased the number of stations.

Only one of the top ten ministers, Robert Schuller, increased his audience by expanding the station lineup from 158 stations to 164.

There is some speculation that the TV evangelists may soon add commercials to help pay for the air time. One of them, Dr. Schuller, has been approached by a major advertiser but reportedly declined.

The biggest problem faced by the TV ministers is the cost of broadcasting. Dr. Schuller's Hour of Power and Crystal Cathedral has an $18 million annual budget, but that is low when compared with others in the top six which have budgets ranging as high as $50 to $60 million a year.

The fear that TV ministers take individuals away from local church participation has been somewhat lessened with a recent Gallup survey showing that one in three individuals who watch religious broadcasts say that the programs have an influence

Profile of Evangelicals
(Percent of population)

	Percentage of Evangelicals
NATIONAL	19
Women	22
Men	15
Non-whites	36
Whites	16
Grade school	30
High school	19
College	12
South	33
Midwest	16
West	13
East	10
Southern Democrats	39
Republicans	22
Northern Democrats	15
Independents	14
Catholics	6
Protestants	28
Baptist group of churches	42
Methodist group	18
Lutheran group	16
Presbyterian group	10
Episcopalians	4
50 and older	22
30-49 years	19
25-29 years	15
18-24 years	13
Clerical & sales	25
Manual workers	21
Non-labor force	21
Professional & business	11
Under 2,500, rural	26
2,500-49,999	20
50,000-499,999	17
500,000-999,999	14
1,000,000 & over	14

Source: *Religion in America, 1981*

on their involvement in their local church. The opinion was heavily weighted on the side that the TV programs caused an increased, rather than lessened, local involvement. And that is somewhat evidenced by the membership gains reported by the mainline religions.

But it wasn't just the evangelicals who were interested in electronic media last year.

The advancement of communications technology prompted Roman Catholics and ecumenical and evangelical Protestants to form a coalition to study religious television programming.

Several denominations launched major plans for broadcast outreach. The Southern Baptist Radio and Television Commission applied for licenses to operate a network of 100 low-power television stations newly being offered by the Federal Communications Commission. The unexpected demand from many sectors for licenses to operate on the neighborhood level proved so great that the government called a temporary halt for further study.

The U.S. Catholic bishops approved development of a National Catholic Telecommunications Network expected to go into operation in the spring. The network will link together by satellite at least 78 dioceses throughout the country and will have the capability for two-way communication.

The Church of Jesus Christ of Latter-day Saints (Mormon) ordered 500 satellite receiver dishes to establish what was planned as the largest television network via satellite in the world.

A $25-million fund-raising campaign to establish a United Methodist "television presence and ministry" got off to an uncertain start as the committee responsible for it voiced misgivings about what was a widely understood proposal to buy a commercial television station as the base.

While plans were afoot for the churches to mount their own televi-

Number of United States Churches, and of Members, by Religious Groups

	Number of Bodies Reporting	Number of Churches	Number of Members
Buddhists	1	60	60,000
Eastern Churches	18	1,606	3,822,590
Jews*	1	3,500	5,920,000
Old Catholic, Polish National Catholic, Armenian Churches	7	436	923,985
Protestants**	184	305,273	73,479,341
Roman Catholic	1	24,188	50,449,842
Miscellaneous***	6	1,218	161,185
Totals	218	336,281	134,816,943

*Including Orthodox, Conservative and Reformed branches.

**Some bodies included here are, strictly speaking, not "Protestant" in the usual sense, such as various Latter-day Saints groups and Jehovah's Witnesses.

***This is a grouping of bodies officially non-Christian, including those such as Spiritualists, Ethical Culture Movement and Unitarian Universalists.

Source: *Yearbook of American and Canadian Churches, 1982* edited by Constant H. Jacquet, Jr. Nashville, Abingdon Press, 1982

Percentage of Income Contributed to Church

	10% or more	5-9%	Less than 5%	None	Don't know
Total	16%	13%	33%	26%	12%
Men	15	12	34	31	8
Women	17	13	32	23	15
Catholic	8	14	46	21	11
Protestant	22	14	29	22	13
Southern Baptist	37	10	31	17	5
Baptist	28	14	29	20	9
Methodist	12	15	35	23	15
Lutheran	15	18	30	20	17
18-29 years	10	7	31	44	8
30-49 years	15	15	37	22	11
50 & older	20	15	32	18	15
College background	15	13	34	29	9
High school	15	13	34	27	11
Grade school	20	12	29	20	19
East	11	14	36	30	9
Midwest	13	18	32	23	14
South	27	9	31	21	12
West	10	9	33	37	11

Source: *from a study conducted for* Christianity Today *by the Gallup Organization Inc. and The Princeton Religion Research Center*

sion efforts, the Rev. Donald Wildmon of the National Federation for Decency continued his crusade against what he called the "anti-Christian" bias of the networks.

He cancelled an announced nationwide boycott of television last July when advertisers and network executives responded nervously to his demands for redress on the nation's airways. But after organizational monitoring of the new season's offerings in the fall, he announced intentions to go through with the boycott in February 1982. The three major network presidents challenged him to go through with it and predicted he would fail.

Influence of Federal Cuts

In light of federal budget cuts, church agencies at the national, regional and local levels are likely to be pressed more than ever to support organizations working to end hunger in the United States.

A survey of 34 of the 102 domestic hunger projects related to the National Council of Churches shows that 21 of them plan to turn to national church agencies as alternatives for replacing the funding they have lost through federal funding reductions. Foundations received the next highest number of votes—20.

The projects surveyed involved education, advocacy, community economic development and direct service. Their activities for ending hunger range from developing food banks to doing food stamp advocacy to helping shape government food policy.

The 34 projects were chosen because

they received federal funding in 1981. Of the 34, 25 had complete data about their 1982 budgets while nine projects had suffered cuts of such magnitude that their 1982 budgets were unclear at the time of the survey.

The 25 projects whose 1982 budgets were known showed approximately a 50 percent drop from 1981 levels. The average 1981 budget for each of these 25 projects was approximately $145,000, dropping to about $72,000 in 1982. The nine projects that did not yet have 1982 figures available were considerably larger, with 1981 budgets averaging nearly $533,000. Using *partial* 1982 figures, the average budgets of these larger projects were reduced even more drastically, to an average budget of about $45,000, slightly more than a 90 percent reduction.

Not only the total amount of money received from the federal government had dropped, but also the percentage of the budget received from federal sources. The 34 projects were reliant on federal sources for an average 61 percent of their budgets in 1981; in 1982, that amount is expected to drop to 33 percent.

In addition to the loss of direct funds, the projects reported the loss of government workers through the CETA and VISTA programs. Of the 23 projects that had government workers in 1981, 14 will have workers in 1982. The total number of workers dropped from 345½ in 1981 to 56 in 1982, a loss of 83.7 percent. This loss represents a serious problem for the hunger projects, according to the researchers.

The agencies report that they will be exploring many avenues for replacing the lost funding: the national church (21), foundations (20), local community (12), and local churches (9) were the top choices of the agencies surveyed.

Giving to EDUCATION

	Amount (Billions)
1970	$3.24
1971	3.56
1972	3.66
1973	4.10
1974	4.14
1975	3.95
1976	4.49
1977	4.75
1978	5.56
1979	5.99
1980	6.68
1981	7.49

Americans contributed $7.49 billion to their educational institutions during 1981, an increase of 12.1 percent from the $6.68 billion given a year before.

The American Association of Fund-Raising Counsel said that as a portion of all charitable contributions in the United States, giving to education equalled 14.0 percent, and that was the same as in 1980.

Just how much of the overall increase could be attributed to institutions working more vigorously for private support in the face of federal budget reductions was not clear. But a preliminary study by the Independent Sector indicates that the impact of the cuts on private education has been severe.

At the precollege level, the Council for American Private Education, whose member schools enroll about 85 percent of all private school students, said the major cut has been in programs under Title I of the Elementary and Secondary Education Act.

These are remedial reading and math programs for economically and educationally disadvantaged students. There are now 5.4 million children in these programs and the U.S. Catholic Conference estimates that between 600,000 and 700,000 are in private schools. This program was cut by 22 percent in fiscal 1982 and the administration asked for cuts totaling 40 percent in 1983. The Children's Defense Fund says this could result in dropping more than half of the children now in the program.

There are as yet no firm figures on the impact of cuts in school nutrition programs in private schools. The '82 cuts lowered family income requirements for free and reduced-price lunches; in addition to increasing costs for the affected families, this move has led to a development predicted by critics. As low-income children are forced out of the program, prices are increased for paying students, many of whom stop buying school lunches, thus reducing program income to the point where many programs close.

The greatest impact on private higher education has come in projected steep cuts in student grants, guaranteed student loans and the elimination of Social Security payments to college students. Other cuts in work-study and other programs bring the total cut to about $2.3 billion.

The administration's proposed cuts are even more drastic—including an end to guaranteed student loans for graduate students.

There is no possibility that the funds withdrawn by the federal government can or will be replaced by private donors.

The full impact of the cuts probably won't be felt until next fall because most students obtained their loans before the cuts went into effect. But events so far show that the cuts have not only seriously weakened private higher education, they have upset the balance between private and public higher education, hurting both.

The National Association of Independent Colleges and Universities said that because private colleges are so dependent on tuition for income and a majority of their students depend on government grants and loans, the independent sector of higher education "is taking a beating like none ever felt before."

Private institutions have begun increasing funds for student aid. Some have been able to raise money from donors, but many are diverting funds from other sources.

But even with additional student aid, the cuts coupled with rising tuitions are pushing students from private to public colleges and universities, increasing educational cost to state taxpayers. Private institutions facing sharper competition for private contributions now face an additional challenge as public institutions increasingly turn to private donors.

The 12.1 percent rise in total giving to all educational institutions was a little higher than the increase reported by the Council for Financial Aid to Education, which each year measures philanthropy to a sizable number of the nation's colleges and universities.

The most recent CFAE data show that there was an increase of 11.3 percent in giving to higher education from a base that included a one-time gift of $105 million given by the Woodruff fund to Emory University in 1980.

The CFAE reported that preliminary results of its study among 928

colleges and universities showed giving to higher education reaching a record-breaking $4.23 billion, compared with $3.80 billion a year earlier.

An analysis of donor breakdowns in the CFAE study shows that there were increases in support from the corporate community, and from individuals and minimal growth in giving by foundations. There was a decline in support from religious organizations.

In the latest analysis, religious organizations contributed a total of $140 million to higher education, a drop of 9.7 percent from the $155 million they gave a year earlier.

Two years ago, religious groups contributed a total of $161 million to higher education.

The decline is a continuation of the economic squeeze many of the country's religious organizations face. At the same time, the drop in federal funds for social service programs is putting more of a demand on religious organizations—at least at the local level—and there is some belief that there is a shift toward that direction taking place.

According to the CFAE study, giving from alumni rose to 24.8 percent of total giving to the nation's colleges and universities from 23.9 percent the year before. For the first time it topped a billion dollars, reaching $1,049 million, an increase of 15.3 percent.

Gifts from nonalumni also surpassed a billion dollars in the most recent survey, an increase of 18.9 percent from a year earlier, when they were $847 million.

Donations from the "other" category rose in both dollars and as a portion of the total last year—growing to $334 million from the $289 million received a year earlier, and to 7.9 percent of the total from 7.6 percent a year before.

Nearly 38 cents of every dollar contributed by the corporate community goes to education, with about 71 percent of that being given to colleges and universities.

The CFAE report said that corporations contributed a total of $778 million to higher education, an increase of 11.8 percent from the $696 million given the year before. The increase was a little higher than the overall rise of 11.1 percent in total corporate giving to all segments of philanthropy.

The joint survey conducted by CFAE and the Conference Board analyzed the amounts given to the educational community by various industries.

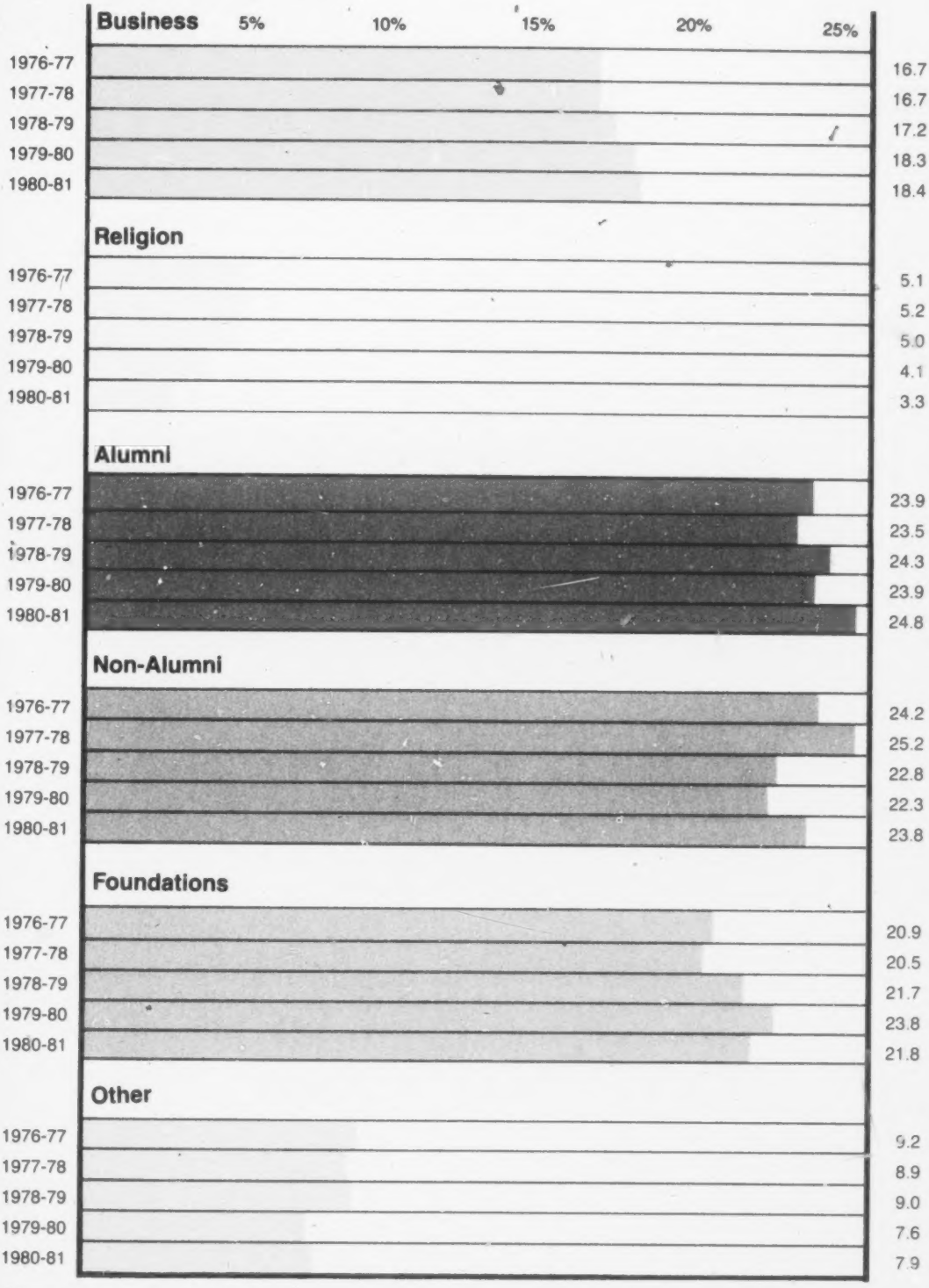
In that breakdown, printing and publishing ranked the highest, in both the percent of total contributions going to education (54.4 percent) and in the portion of worldwide pretax net income (.901 percent) contributed to educational organizations.

Analyzing support of education as a percent of total contributions, manufacturing companies in the chemical industry gave 47.8 percent; petroleum and gas, 44.7 percent; food, beverage and tobacco, 34.7 percent; and transportation equipment, 39.9 percent.

The average size of contributions given to support education among the manufacturing industries sampled equalled 42.0 percent.

Among nonmanufacturing, life insurance companies gave the highest share of total contributions to education—32.9 percent. Business services, banks and insurance industries gave more than 30 percent of all their charitable contributions to education and the average for all nonmanufac-

Giving to Higher Education



Source: *Council for Financial Aid to Education*

turing industries was 26.5 percent in the most recent study. A year earlier, it was 25.5 percent.

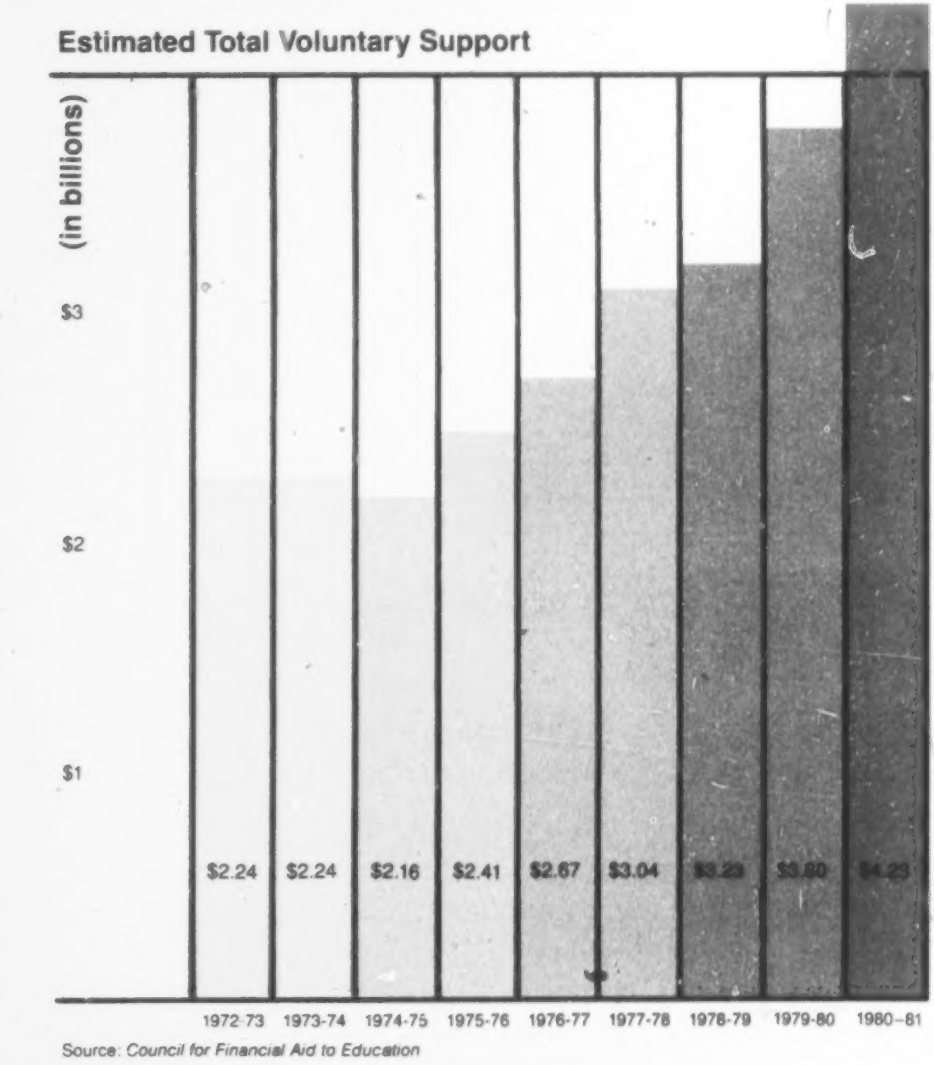
The latest CFAE study of giving to higher education showed a 2.1 percent increase in the support colleges and universities received from foundations and brought that total to $922 million from the $903 million received the year before.

But the percentage increase in foundation giving to education in the most recent period is somewhat distorted since it is compared with the total that included the single $105 million gift to Emory University the year before.

If that gift were not included in the previous year's total, the overall increase for foundation giving would be more than 15 percent.

Church-Related Schools

There were 10,185 parochial education institutions in the United States last year, according to data from P. J. Kenedy and Sons, publishers of the Official Catholic Directory.



Source: *Council for Financial Aid to Education*

The total reflected a decline of 74 schools in one year.

Included in the total are 328 seminaries; 236 colleges and universities; 881 diocesan and parish high schools; 623 private high schools; 7,802 parish elementary schools and 315 private high schools.

The number of lay teachers at Catholic institutions increased last year by 5,755 reflecting a decline of nearly 3,000 in the number of religious teachers. When first recorded in 1944, lay teachers numbered 7,633, or 8.3 percent of the teaching staff at Catholic schools. The number of lay teachers gradually increased over the years and in 1971 they outnumbered religious for the first time. Currently, they constitute 72.2 percent of teachers in Catholic institutions.

The 236 Catholic colleges and universities in 1981 represented three less than a year earlier, P. J. Kenedy reported, but at the same time, enrollment in the schools increased by 31,602 and reached 536,678.

The number of full-time pupils in Catholic elementary and high schools decreased 29,132 during the past year. The 881 parish and diocesan high schools, 13 fewer, report 497,031 pupils, a decrease of 8,924 over 1980; the 623 private high schools, 10 less, with 341,216, show an increase of 612 in one year. Pupils in 7,802 parish elementary schools, down 45, now number 2,232,911, or 18,383 fewer, while students in the 315 private elementary schools now total 63,469, a decrease of 2,437, in 13 more schools.

The People

In the fall of 1981, education was the primary activity of approximately 61.4 million Americans. Included in that total were an estimated 57.8 million students enrolled in our schools and colleges, 3.3 million teachers, and about 300,000 superintendents, principals, supervisors, and other instructional staff members. This means that in a nation with approximately 230 million people, more than 1 out of every 4 persons were directly involved in the educational process.

Total enrollment in elementary and secondary schools and colleges and universities reached an all-time high of 61.3 million in the fall of 1975. For more than a decade, small annual decreases have occurred at the elementary school level, reflecting the continuing decline in the number of children 5 to 13 years old. Enrollment in the high school grades peaked in the fall of 1976, while college enrollment in most recent years has continued to rise.

It is estimated that the following percentages of the school-age population were enrolled in school (excluding nursery school) in the fall of 1981: Of 5-year-olds (the usual kindergarten age), 90 percent; of 6- to 13-year-olds (grades 1 through 8), 99 percent; of 14- to 17-year-olds (grades 9 through 12), 94 percent; and of 18- to 24-year-olds (college age), 29 percent. These estimates are derived from data obtained in the annual fall surveys of the U.S. Department of Commerce, Bureau of the Census, and reported in *Current Population Reports*, Series P–20.

Preliminary data from the fall survey of enrollment in higher education indicate that about 12,320,000 students were enrolled in colleges and universities in the fall of 1981. If this figure is confirmed by the final tabulation, it will mean that college enrollment increased by nearly 2 percent between 1980 and 1981. The fall 1981

enrollment was the largest ever recorded at the college level.

Enrollment in the fall of 1981 in public and private schools at the secondary level (grades 9 through 12) is estimated at about 14.3 million. This is a decrease of about 3 percent from the 14.8 million students enrolled a year earlier.

All of the decrease is believed to have occurred in public schools. Enrollment in private schools is estimated at 1.4 million in 1980 and also in 1981.

Between the fall of 1980 and 1981, enrollment at the elementary school level (kindergarten through grade 8) declined by more than 1 percent, from an estimated 31.5 to 31.1 million. Private school enrollment declined slightly to about 3.6 million, while public schools experienced a decrease estimated at 300,000 pupils.

School enrollment in the future will be significantly influenced by trends in the birth rate. Data from the National Center for Health Statistics, U.S. Public Health Service, show that the number of live births in this country attained an all-time high of 4.3 million in 1961. They then declined precipitously for more than a decade. From 1973 through 1976 the annual number of births was between 3.1 and 3.2 million, but the birth rate turned upward again in 1977. Subsequently, there have been annual increases that have raised the number of children born from 3.3 million in 1977 to more than 3.6 million in 1981.

The latest projections of the National Center for Education Statistics indicate that there will be small annual reductions in elementary school enrollment for the next 2 or 3 years. These decreases are directly attributable to the expected decline during this period in the number of children aged 5 to 13. Enrollment in the elementary grades should start to rise again in the mid-1980's as the children born in the recent past reach school age. The small annual decreases in high school enrollment, which began in 1977, are expected to continue throughout most of the 1980's. College enrollment appears to be nearing its peak at this time. The college-age population (18- to 24-years-old age group) is expected to decline after 1981, and emerging trends in college attendance rates will determine what happens to higher education enrollment during the rest of this decade. In recent years, the increased attendance of women, older students (those 25 years old and over), and part-time students has played a major role in maintaining college enrollment at a high level.

More than 2.4 million persons were employed as classroom teachers in public and private elementary and secondary schools in the fall of 1981. This was slightly less than the number of persons teaching a year earlier. Only minimal changes occurred at the elementary and the secondary levels. The number of public school teachers in 1981 was estimated at 2,165,000 and about 285,000 were in private schools. Approximately 1,370,000 were teaching in elementary schools, and the remaining 1,080,000 were employed at the secondary level.

Overall, the trend in recent years has been for the number of public school teachers to remain relatively stable while enrollment has been declining. The result has been a continuing improvement in the pupil-teacher ratio. In the fall of 1980 there were 18.8 pupils per teacher compared with 22.3 pupils for each teacher 10 years earlier. Moreover, a

recent study by the National Education Association indicates that public school teachers in the 1980's are better prepared academically than those who taught in previous decades. Fewer than 1 percent of the teachers in 1981 did not have a bachelor's degree, compared with 15 percent in 1961. In 1981, about 50 percent of the teachers held a master's or higher degree, compared with 23.5 percent 20 years earlier. The number of instructional staff members in colleges and universities has continued to grow, but at a slower rate than in the middle and late 1960's. The full-time and part-time teaching staff, including graduate assistants, is estimated at about 860,000 in the fall of 1981, an increase of nearly 2 percent over 1980. During the past decade, while college enrollment was growing by about 38 percent, the number of instructional staff members increased by an estimated 46 percent.

The largest high school graduating class was in school year 1976–77, when 3,161,000 persons received their diplomas. The number of graduates in 1981-82 is expected to total about 2,950,000, down almost 3 percent from the number who graduated in 1980–81. The large number of graduates in recent years reflects the high birth rate in the late 1950's and early 1960's as well as the tendency of most young Americans to remain in school at least until high school graduation. About three-fourths of the young people today finish high school, and about 45 percent (or about 60 percent of the high school graduates) can be expected to enter a degree-credit program in a college or university. If present trends continue, about 23 percent of persons in their late teens today can be expected to earn a bachelor's degree; 7 percent, a master's degree; and nearly 1 percent, a doctorate.

Expenditures

Expenditures for public and private education from kindergarten through graduate school reached $169.6 billion for the 1979–80 school year, and preliminary estimates indicate that the 1981–82 figure will approach $200 billion. The expenditures of elementary and secondary schools are expected to total $127 billion this year, while institutions of higher education will spend about $73 billion. Public schools and colleges are expected to spend about $161 billion in 1981–82, compared to about $39 billion for private institutions.

Viewed in another context, the total expenditures for education during 1981–82 are expected to amount to nearly 7 percent of the gross national product (GNP). The percentage of the GNP spent for education was in a rising trend for many years before peaking at 8 percent in 1975–76. The small reduction in the proportion of GNP allotted to education over the past 6 years reflects the fact that enrollment in elementary and secondary schools was decreasing during this period.

Nationally, the current expenditure per pupil in average daily attendance in public elementary and secondary schools was nearly 3 times as large in 1979–80 as it was 10 years earlier. The rise was from $816 in 1969–70 to $2,275 in 1979–80. The current expenditure per pupil in 1981–82 is expected to reach $2,700.

Estimated Voluntary Support of Higher Education, by Source and Purpose (millions)

	1975-76	1979-80	1980-81	% of Total	% Change, 1980-81 v. 1979-80	% Change, 1980-81 v. 1975-76
Total Voluntary Support	$2,410	$3,800	$4,230		+ 11.3	+ 75.5
Sources						
Alumni	$ 588	$ 910	$1,049	24.8	+ 15.3	+ 78.4
Nonalumni Individuals	569	847	1,007	23.8	+ 18.9	+ 77.0
Foundations	549	903*	922	21.8	+ 2.1	+ 67.9
Business Corporations	379	696	778	18.4	+ 11.8	+ 105.3
Religious Denominations	130	155	140	3.3	− 9.7	+ 7.7
Other	195	289	334	7.9	+ 15.6	+ 71.3
Purposes						
Unrestricted	$ 786	$1,251*	$1,261		+ 0.8	+ 60.4
Physical Plant	371	599	681		+ 13.7	+ 83.6
Research	354	577	626		+ 8.4	+ 76.8
Student Aid	330	492	537		+ 9.1	+ 62.7
Faculty Compensation	157	226	279		+ 23.4	+ 77.7
Other	412	655	846		+ 29.2	+ 105.3
Current Operations	$1,480	$2,250	$2,590		+ 15.1	+ 75.0
Capital Purposes	930	1,550*	1,640		+ 5.8	+ 76.3

*Includes nonrecurring transfer of $105 million from the Emily and Ernest Woodruff Fund, Inc., to Emory University for unrestricted endowment.
Source: *Council for Financial Aid to Education*

Large Gifts to Education—1981

Donor/Amount/Recipient

Pennington Medical Foundation—
$100 million to *Louisiana State University*

Hearst Corporation—
$62 million (newsreel film library) to *University of California at Los Angeles*

Mr. & Mrs. Bill Saxon—
$30 million to *University of Oklahoma*

Mr. & Mrs. Robert H. Dedman—
$25 million to *Southern Methodist University*

Jean Brown—
$14.3 million to *Arkansas College*

Jean Brown—
$11.7 million to *Austin Presbyterian Seminary*

W. K. Kellogg Foundation—
$10 million to *Michigan State University*

Harry W. Morrison Family Foundation—
$6.5 million to *Boise State University*

Elinor Anheuser Storz—
$6.2 million to *Washington University*

Eugene M. Lang—
$6 million to *Swarthmore College*

Joseph E. Seagram & Sons—
$5.8 million to *Harvard University*

Caesar Kleberg Foundation—
$5.3 million to *Texas A&I Institute*

Alberta Briegel Ponder—
$5 million to *University of Missouri at Columbia*

Houston Endowment, Inc.—
$5 million to *University of Texas System*

Pritzker Foundation—
$5 million to *Illinois Institute of Technology*

Dr. Scholl Foundation—
$5 million to *William M. Scholl College of Podiatric Medicine*

Jerry Silverman, Inc.—
$5 million to *Kent State University*

Arthur Rubloff—
$5 million to *Northwestern University*

Lilly Endowment—
$5 million to *Indiana University Foundation*

George Lucas—
$4.66 million to *University of Southern California*

Olin Foundation—
$4.3 million to *Babson College*

W. K. Kellogg Foundation—
$4 million to *University of Michigan (Eye Center)*

Mallinckrodt—
$3.88 million to *Washington University*

Duke Endowment—
$3.18 million to *Duke University*

Ludwig Shafer—
$3.4 million to *Columbia University*

William Penn Foundation—
$3.3 million to *Johns Hopkins University*

J. N. Pew Memorial Trust—
$3 million to *Cornell University*

William & Lucille Nickerson—
$3 million to *Harvard University*

Vernita Watts Adams—
$3 million to *Whitman College*

Anonymous—
$3 million to *University of Puget Sound*

Philip S. Charles—
$2.7 million to *DePauw University*

Mina S. Schwabacher—
$2.5 million to *Whitman College*

Alfred P. Sloan Foundation—
$2.5 million to *Massachusetts Institute of Technology*

Alfred P. Sloan Foundation—
$2.5 million to *University of California at Berkeley*

Harry H. Ferguson—
$2.5 million to *University of Illinois*

Mrs. Wayne V. Jones—
$2.5 million to *Northwestern University*

Albert B. Alkek—
$2.4 million to *St. Mary's University*

Srs. of St. Francis (Cong. of Our Lady of Lourdes)—
$2.3 million to *College of St. Theresa*

Anonymous—
$2 million to *Babson College*

Kenan Foundation—
$2 million to *Westminster School*

W. Kenneth Hyslop—
$2 million to *University of North Dakota*

A. Alfred Taubman—
$2 million to *University of Michigan*

Benjamin Cone—
$2 million to *University of North Carolina at Greensboro*

Marshall W. Alworth—
$2 million to *University of Minnesota*

Gas Research Institute—
$2 million to *University of Florida*

Thomas Nichol, Jr.—
$2 million to *Princeton University*

Gardner & Florence Call Cowles Foundation—
$2 million to *Drake University*

Andrews Foundation—
$2 million to *Case Western Reserve University*

Dr. Hugh P. Reilley—
$1.65 million to *LeMoyne College*

Mabel Pew Myrin Trust—
$1.25 million to *Philadelphia College of Art*

Chase Manhattan Bank—
$1.25 million to *University of Chicago*

W. K. Kellogg Foundation—
$1.9 million to *Oregon State University*

Carl Egner—
$1.9 million to *Princeton University*

Mary Flagler Cary Charitable Trust—
$1.6 million to *Rochester Institute of Technology*

Arthur Brown, Jr.—
$1.5 million to *University of South Carolina*

Cullen Foundation—
$1.5 million to *University of Houston*

Nello L. Teer, Jr. & R. Dillard Teer—
$1.5 million to *Duke University*

Michael C. Carlos—
$1.5 million to *Emory University*

W. K. Kellogg Foundation—
$1.5 million to *University of Wisconsin at Madison*

M. J. Murdock Charitable Trust—
$1.5 million to *Pacific Lutheran University*

Giving to HEALTH AND HOSPITALS

	Amount (Billions)
1970	$3.40
1971	3.65
1972	3.77
1973	4.15
1974	4.29
1975	4.42
1976	4.85
1977	4.90
1978	5.48
1979	5.95
1980	6.49
1981	7.36

Americans donated a record $7.36 billion to the nation's hospitals and voluntary health agencies in 1981, an increase of 13.4 percent from the $6.49 billion a year before.

The American Association of Fund-Raising Counsel said the percentage increase in giving to health-related causes was the highest of any segment within the philanthropic community during 1981.

As a portion of all charitable giving last year, contributions to the health and hospitals category equalled 13.8 percent, up slightly from year-earlier levels.

A significant chunk of the increased giving to health and hospitals was attributed to the impact of federal cuts—either directly in the case of hospitals or somewhat less directly for health agencies—and the fact that gearing up for the cuts meant a greater effort in seeking voluntary support.

The fiscal 1982 budget eliminates $2.8 billion in government funding for health programs, and the proposed fiscal 1983 budget would cut $5 billion.

While many of the organizations receive no federal money, and thus do not stand to lose from the reductions, they have experienced a tremendous increase in requests for services that in the past were funded by federal dollars.

The closing of a local health clinic, for example, translates into an increased load at the emergency room of the local hospital. And the patients receiving services there are for the most part on medicare and medicaid, two areas that have felt reductions. An estimated one million individuals are eliminated from medicaid coverage in fiscal 1982 as a result of a loss of Aid to Families with Dependent Children benefits.

Overall, hospital officials have estimated that a large majority of the $2.5 billion cut in medicare and the proposed $2 billion reduction in medicaid will have to be made up by their own funds.

The AAFRC's estimates for total giving to the nation's health agencies and hospitals are based each year on a number of studies and surveys. Among these are a study the Association conducts each year among large, national health agencies and surveys conducted by the National Association for Hospital Development, the National Health Council and the American Hospital Association. In addition, a study of giving by the business community, conducted by the Conference Board and the Council for Financial Aid to Education, and a study of foundation giving made by the Foundation Center are used.

The Association's sampling of key

National Health Agencies

Agency	1981 Total Contributions	1981 Contributions	1981 Bequests	1980 Total Contributions
American Cancer Society, Inc.	$170,408,203	$124,615,571	$ 45,792,632	$154,691,142
American Heart Association	104,618,207	75,844,453	28,773,754	91,991,164
Muscular Dystrophy Association	74,500,000*	72,200,000*	2,300,000*	73,889,869†
March of Dimes Birth Defects Foundation	70,025,298	68,186,001	1,839,297	64,894,718
National Easter Seal Society	64,625,000	56,125,000	8,500,000	58,950,000
American Lung Association	60,000,000*	57,750,000*	2,250,000*	60,506,408†
Planned Parenthood Federation of America, Inc.	44,503,000	44,248,000	255,000	35,008,078†
National Association for Retarded Citizens	30,907,000*	30,691,332*	215,668*	29,278,000†
National Multiple Sclerosis Society	30,400,000*	29,400,000*	1,000,000*	29,641,027†
United Cerebral Palsy Association, Inc.	30,298,781*	29,589,999*	708,782*	28,876,084†
The Arthritis Foundation	23,800,000*	17,200,000*	6,600000*	21,091,505†
Mental Health Association	18,500,000*	17,700,000*	800,000*	16,505,702†
American Diabetes Association, Inc.	17,220,749	15,392,227	1,828,522	14,688,615
Cystic Fibrosis Foundation	16,171,000	15,681,000	490,000	14,848,000†
Leukemia Society of America, Inc.	14,254,842	13,081,687	1,173,155	11,927,249
National Kidney Foundation	11,000,000*	10,000,000*	1,000,000*	10,505,362†
National Society to Prevent Blindness	6,344,782	2,860,730	1,264,576	5,608,131
Epilepsy Foundation of America	5,000,000*	4,700,000*	300,000*	4,957,493†
Juvenile Diabetes Foundation	4,730,233*	4,720,233	10,000*	4,248,968
Recording for the Blind, Inc.	3,356,543	2,781,076	575,467	3,098,433
American Foundation for the Blind, Inc.	2,489,272	1,178,827	1,310,445	2,320,441
Damon Runyon-Walter Winchell Cancer Fund	1,555,107	154,141	1,400,966	1,682,637
National Foundation for Ileitis & Colitis, Inc.	1,317,594	1,262,190	55,404	1,288,052**
National Council on Alcoholism	558,920	557,458	1,462	1,125,000
The National Hemophilia Foundation	294,264	271,119	23,145	2,685,796
Totals	$806,878,795	$696,191,044	$108,468,275	$744,307,874

*Estimated
**15 month period
†Revised

national health agencies revealed an overall increase of 8.4 percent in total contributions between 1980 and 1981. The agencies reported they received $806.9 million last year, compared with $744.3 the year before.

But an even more significant increase—11.1 percent—was shown in contributions alone, without bequests. In examining that total—$696.2 million in 1981, compared with $626.8 million a year earlier—the gain reported by the health agencies comes closer to the overall 13.4 percent increase for the whole philanthropic segment.

The American Cancer Society continued in its undisputed number one position among the health agencies last year with total contributions of $170.4 million, a gain of 10.2 percent from the $154.7 million reported a year earlier.

An increase of 13.7 percent was reported by the American Heart Association, traditionally the second largest recipient of donations among the health agencies. In 1981, total contributions to the Heart Association reached $104.6 million, compared with $92.0 million a year before.

Nearly all of the national health agencies in the AAFRC survey reported increases in total contributions for 1981.

The National Health Council's most recent compilation of data from its health agency members shows an in-

crease of 9.1 percent in public contributions.

The Council reported that the agencies received a total of $49[illegible] million in public support during the latest period, compared with $452 million a year earlier.

Total revenue for the Council's health agency members reached $629.2 million, but that includes "other" revenue—which takes into account government contracts, many of which are for long-term research projects.

The National Health Council said that program outlays for its member agencies totaled $449.4 million, and that represented 91 percent of public contributions, 75 percent of total expenses and 71 percent of total revenue.

Patient services constituted 41 percent of the outlays, or $183 million; research accounted for 22 percent, or $98 million; public education for 18 percent, or $81 million; community services, 10 percent, or $47 million, and professional education 9 percent, or $40 million.

Data compiled by the National Health Council are extracted from the financial statements of its member agencies.

The National Association for Hospital Development surveys its more than 900 members at hospitals throughout the country each year on the results of their fund-raising efforts. In its most recent analysis, the NAHD reported that 307 of its members reported raising a total of $269.7 million.

The Association said that its members at 260 community hospitals reported a total of $148.0 million in gifts during the year, or an average of $569,373 for each hospital.

Foundations, which last year increased their giving by 9.2 percent overall, have been an important source of support to both hospitals and health-related agencies.

An analysis of data from the Foundation Center shows that there was an increase in the number of gifts of $5,000 and more to the health category, but a decrease in the overall value of those gifts.

The Center said that in 1980, for example, the health category received 16.2 percent of all the grants of $5,000 and more reported to it by 369 of the nation's foundations. In 1981, according to preliminary data from the Center, 16.7 percent of the $5,000 and more grants went to the health category.

But in terms of dollars, the health category received 25.1 percent in 1980 and that portion dropped to 22.5 percent in 1981.

It should be kept in mind, however, that those results reflect only gifts of $5,000 and more. They do not include foundation grants of less than that amount.

In examining the breakdown of the health category for the foundation gifts, grants to "general" more than doubled in both number and dollars during 1981, and increases were also noted in both medical and health education and in mental health categories.

In the "general" category, the percentage of dollars rose from 0.4 percent of the total in 1980 to 1.2 percent in 1981, and from 0.5 percent of the total number of grants to 1.0 percent in the same period.

Medical care and treatment, on the other hand, declined in dollars from 12.3 percent in 1980 to 9.5 percent in 1981, but in the number of grants

Change in General or Community Hospitals

	1977	1978	1979	1980
Number of Hospitals*	5,881	5,851	5,842	5,830
Number of Beds (000)	969	975	984	988
Admissions (000)	34,273	34,506	35,099	36,143
Average Daily Census (000)	715	718	727	747
Outpatient Visits (000)	198,708	201,931	198,778	202,310
Average Length of Stay—Days	7.6	7.6	7.6	7.6
Occupancy Rates(%)	73.8	73.6	73.9	75.6
Total Expenses (million)	$51,647	$58,180	$66,004	$76,851
Number of Personnel**	2,573,000	2,655,000	2,756,000	2,873,000
Payroll Expenditures (million)	$25,944	$28,939	$32,584	$37,379
Expenses Per Inpatient Day	$173.98	$194.34	$217.34	$245.12

*Excludes hospital units of institutions (prisons, college infirmaries, etc.)
**Adjusted for part-time personnel
Source: Hospital Statistics, 1980 Edition

Change in Voluntary Nonprofit Hospitals

	1977	1978	1979	1980
Hospitals	3,371	3,360	3,350	3,339
Beds (000)	680	684	690	693
Admissions (000)	24,284	24,443	24,885	25,576
Average Daily Census (000)	519	521	528	542
Outpatient Visits (000)	139,045	142,617	140,525	142,864
Average Length of Stay—Days	7.8	7.8	7.7	7.7
Occupancy Rates (%)	76.3	76.1	76.5	78.2
Total Expenses (million)	$37,523	$42,262	$47,969	$55,815
Number of Personnel	1,863,000	1,927,000	2,000,000	2,087,000
Payroll Expenditures (million)	$19,138	$21,337	$24,043	$27,652
Expenses Per Patient Day	$174.64	$195.07	$217.93	$245.67

Source: Hospital Statistics, 1980 Edition

awarded the category it increased from 7.4 percent in 1980 to 7.8 percent in 1981.

It appeared that in the health category, at least, the total number of foundation grants of more than $5,000 was increasing but the average dollar amount of the grants was decreasing.

An annual survey of contributions by business, conducted by The Conference Board and the Council for Financial Aid to Education, showed a total of $11.4 million being given to health agencies and that represented 1.1 percent of all corporate giving. A direct comparison with the previous year's giving is not possible because the data were not collected in the prior year.

The study showed that corporations contributed $29.8 million to capital programs for hospitals, or 3.0 percent of all their giving, and $11.1 million, or 1.1 percent, to annual hospital fund-raising programs.

Yet another study, conducted in early 1982 by *Fund-Raising Management Magazine*, showed that 79 percent of health agency executives said their fund raising efforts during 1981 were "good" to "excellent."

Only 17 percent said that results in

1981 were about the same as a year earlier and one agency reported that voluntary support was running behind 1980.

Health Care Expenditures

Americans spent $247 billion for health care in 1980, the most recent year for which figures are available. The total was equal to 9.4 percent of the nation's gross national product and represented a dramatic increase from the 8.9 percent share of the GNP in 1979.

On a per-person basis, expenses for health care amounted to $1,067. Of that, $450, or 42.2 percent, came from public funds.

Expenditures included $64.9 billion in premiums paid to private health insurance companies, $70.9 billion in federal payments, and $33.3 billion in state and local government funds.

All third parties combined—private health insurers, governments, philanthropy and industry—financed 67.6 percent of the $217.9 billion spent for personal health care in the United States during 1980, ranging from 90.9 percent of hospital care services, to 62.7 percent of physicians' services and to 38.5 percent of the remainder.

Outlays for health care benefits by medicare and medicaid totaled $60.6 billion, including $35.8 billion for hospital care. The two programs combined paid 27.8 percent of all personal health care costs in the country.

Hospitals in the U.S.

There were a total of 6,965 hospitals in the United States last year, 23 less than a year earlier, the American Hospital Association reported.

Of those hospitals that closed their doors, 11 were voluntary nonprofit and 8 were general or community hospitals.

According to the latest examination of hospital trends in the nation, the number of hospital beds declined by 7,000 overall and totaled 1,365,000. And since the number of inpatients on an average daily basis rose slightly

Hospital Expenditures as a Percentage of GNP

	GNP		Hospital expenditures		
	Amount (in billions)	Percent change from previous year	Amount (in millions)	Percent change from previous year	Percentage of GNP
1967	$ 796.3	5.75	$16,395	15.47	2.06
1968	868.5	9.07	19,061	16.26	2.19
1969	935.5	7.71	22,103	15.96	2.36
1970	982.4	5.01	25,556	15.62	2.60
1971	1,063.4	8.25	28,812	12.74	2.71
1972	1,171.1	10.13	32,667	13.38	2.79
1973	1,306.6	11.57	36,290	11.09	2.78
1974	1,412.9	8.13	41,406	14.10	2.93
1975	1,528.8	8.20	48,706	17.63	3.19
1976	1,700.1	11.20	56,005	14.99	3.28
1977	1,887.2	11.01	63,630	13.61	3.37
1978	2,107.6	11.68	70,927	11.47	3.37
1979	2,368.8	12.39	79,796	12.50	3.36
1980	2,626.5	10.87	91,886	15.15	3.49

Source: Economic Indicators, April, 1982

Registered Hospitals in the United States

Type and Number of Hospitals	1975	1976	1977	1978	1979	1980
Federal	382	380	377	370	361	359
Nonfederal						
Psychiatric	544	528	541	526	527	534
Tuberculosis	36	21	19	15	12	11
Long-Term General and Special	215	197	189	170	165	157
Other*	5,979	5,956	5,973	5,934	5,923	5,904
Total	7,156	7,082	7,099	7,015	6,988	6,965

*Includes voluntary nonprofit, for-profit, and state and local government short-term general and special hospitals.

Source: Hospital Statistics, 1980 Edition

last year to 1,060,000, the national hospital occupancy rate rose to 77.7 percent, from 76.1 percent a year before.

Ten years ago, the occupancy rate was 82.9 percent, according to data from the American Hospital Association.

In contrast to the decline in the number of hospital beds during each of the past 15 years, the number of admissions has grown consistently. The AHA reported that in its most recent tabulation, there were 38.9 million Americans admitted to hospitals—the highest ever. The change from the previous year, however, was less than 1 percent.

Both community hospitals and voluntary nonprofit hospitals reported increases in admissions, while the average length of stay for patients remained about the same for the past three years.

Both categories reported an increase in the number of outpatient visits from a year before.

Hospital Expenditures

U.S. hospitals reported expenditures totaling $91.9 billion in the AHA survey covering the year 1980—an increase of 15.1 percent. In that same year, inflation was 12.4 percent, so overall hospital expenditures increased more than the cost of living.

Hospital expenditures represented 3.49 percent of the nation's gross national product, up from the 3.36 percent they represented a year earlier.

Community hospitals, which those in the philanthropic field are most concerned with, had expenditures of $76.9 billion in the latest study, an increase of 16.4 percent from the $66.0 billion the year before. That percentage rise was nearly five points above the inflation rate.

Hospitals in the United States employed 3.5 million persons in the latest survey year, an increase of 100,000 personnel from the previous period. Community hospital employment reached 2.9 million, a slight increase from the 2.8 million the year before.

Labor expenditures accounted for more than half of the expenses of the nation's community hospitals.

Payroll represented less than half of the total (48.6 percent) and continued to decrease as a portion of total expenses. The decline was first noticed in 1962 when payroll accounted for 61.9 percent of total expenditures.

Payroll also accounted for more

than half of the expenditures of community hospitals located in the populous Northeast and North Central states, while in other areas of the country it was less than half.

Hospitals in the East South Central and West South Central states reported the lowest percentages for the total labor component of expenditures—less than 53 percent.

Large Gifts to Health Causes—1981
Donor/Amount/Recipient

A. G. Hoechst—
$50 million to *Massachusetts General Hospital*

Arthur O. Wellman—
$15 million to *Massachusetts General Hospital*

N. Paul Whittier—
$5 million to *Whittier Institute for Diabetes & Endocrinology*

Duke Endowment—
1.828 million to *Duke University Medical Center*

George Link, Jr. Foundation—
$1.25 million to *Hackensack Medical Center*

Charles A. Dana Foundation—
$1.5 million to *American Health Foundation*

Houston Endowment—
$1.3 million to *Hermann Hospital*

W. K. Kellogg Foundation—
$1.1 million to *Burke Rehabilitation Center*

Gouletas Family—
$1 million to *Saint Francis Hospital*

Giving to SOCIAL SERVICES

	Amount (Billions)
1970	$2.88
1971	2.92
1972	2.99
1973	3.06
1974	3.12
1975	3.14
1976	3.16
1977	3.52
1978	3.97
1979	4.35
1980	4.73
1981	5.32

The nation's social service organizations received a record total of $5.32 billion in charitable contributions during 1981, an increase of 12.5 percent from the $4.73 billion given a year earlier.

The American Association of Fund-Raising Counsel said the total given to social service agencies constituted 9.9 percent of all giving in the United States during 1981. That was a miniscule decline from the 10.0 percent that social welfare giving represented a year before and the Association attached no significance to the slip.

The overall 12.5 percent advance in giving came during a year when social service organizations were beginning to experience the impact of federal budget reductions on programs. The major result in 1981 was a dramatic and sometimes even stunning increase reported in the demand for emergency services, with requests for fuel, shelter, clothing and even food increasing by anywhere from 50 to

500 percent, depending on the agency.

In a preliminary report based on responses from its member organizations, the INDEPENDENT SECTOR said that "within this massive increase in requests for emergency aid, two trends stand out—the large number of 'new poor' individuals and their families, the 'working poor' who have lost federal subsidies; and the newly unemployed victims of the recession, who are asking for help for the first time and the level of desperation of many of those seeking aid."

In terms of direct cuts in funds for voluntary social service agencies, the consensus was that the worst was yet to come—both the National Conference of Catholic Charities and the Lutheran Social Services, for example, said that many existing federal contracts will remain funded through late 1982 and early 1983.

In the meantime, however, social welfare organizations—perhaps fearing more than will eventually be the case—have turned even more to the private sector—individuals, corporations and foundations—and sought increases in the support they have traditionally received.

The largest social service agency in the nation—United Way of America—reported in March of 1982 that giving to local United Way organizations rose by 10.3 percent in 1981 and that was the biggest yearly increase in a quarter century.

A total of $1.68 billion was raised in local United Way campaigns, the most money raised by the movement in its 95-year history, and it came despite high unemployment combined with general economic hardship in many of America's northern industrial centers.

At the same time, the National Committee for Responsive Philanthropy reported that a number of non-United Ways also registered increases in support last year from 1980 levels.

The NCRP said that 29 of the "alternative" funds raised a total of $5.6 million last year and that was an increase of 37 percent from the total raised in 1980. The increase, the NCRP reported, resulted primarily from payroll-deduction-type giving and from an increase in corporate giving.

More than 11 other "alternative" organizations also had increases last year, but the NCRP said that the exact figures for those agencies were not yet available.

Contributions made through the workplace form an important segment of the support given to many of the nation's social service organizations and health-related groups. And while employees have been donating to charitable organizations through the workplace for years, there is a growing interest in that type of solicitation, with more state, county and municipal governments making it easier for their employees to make charitable contributions through payroll-deduction plans.

The National Committee for Responsive Philanthropy reported that the states of Wisconsin, Michigan, Nebraska, Iowa, South Carolina, Arizona, New York and a half dozen more have campaigns where employees contribute to a variety of health and welfare-related causes. And major cities, including Los Angeles, Detroit, St. Louis, St. Paul, Hartford, along with school districts, housing and transit authorities as well as county governments, also participate in workplace campaigns.

Using the workplace for contribu-

tions is an effective method of raising necessary support. One agency that has experience in that area—the Black United Fund—reported that contributions it received increased when workers at Bell Labs and IBM elected to contribute to the Fund through their jobs.

Perhaps the largest workplace campaign is conducted among federal government employees in the Combined Federal Campaign. That annual appeal has shown consistent increases. In 1981 it resulted in a growth of 10 percent in charitable contributions with the total given reaching a record $95 million, according to data from the International Service Agencies.

Included in the Combined Federal Campaign are hundreds of organizations which share in the contributions federal employees make to local United Ways, national health agencies, international services agencies, national service agencies and the United Way of America.

On a regional basis, United Way giving increased 12.6 percent in the West; 11.9 percent in the Southwest; 9.7 percent in the Northeast and 9.4 percent in Mid-America.

Predictably, campaign results were strongest in economically healthy states including Texas, Arizona, Oklahoma, California and Connecticut. But the agency said that the most dramatic accomplishments of all were in states and cities that bore the brunt of unemployment and recession.

Campaigns in areas such as Ohio showed increases of 9.6 percent; Pennsylvania rose by 8.5 percent; Kansas by 7.5 percent; and Michigan by 4.9 percent. And results from specific communities illustrate even more the generosity and responsiveness of Americans.

The United Way campaign in Detroit, for example, raised 2.5 percent more than a year before, despite high unemployment directly related to the ills of the nation's automotive industry.

In Anderson, Ind., which is a smaller community but one with an economy largely dependent on the automotive industry, giving to United Way surged by 8.8 percent and in Flint, Mich., staggered by one of the highest unemployment rates in the nation, the campaign brought in $38,000 more than a year before.

The United Way of America estimated that about 68 percent of contributions are from individuals, and based on preliminary data it said that giving by corporations—which represents about 28 percent of all United Way giving—increased by about 10 percent. That was very close to the overall 11.1 percent increase in corporate giving for 1981.

An analysis of corporate giving reported by The Conference Board and the Council for Financial Aid to Education reveals that 732 companies gave a total of more than $250.2 million to social service activities—including federated drives, welfare agencies, youth and senior citizen agencies, and others. That represents a little more than 25 percent of the giving reported by the 732 companies.

In some areas—not surprisingly those less affected by the dip in the nation's economy—corporate giving to United Ways increased by percentages that were far above the overall rise in corporate giving.

Corporations in Denver, for instance, increased giving to United Way by 24.8 percent in 1981; those in Houston by 23 percent; the business community in Dallas increased contributions by 19.6 percent; an increase of

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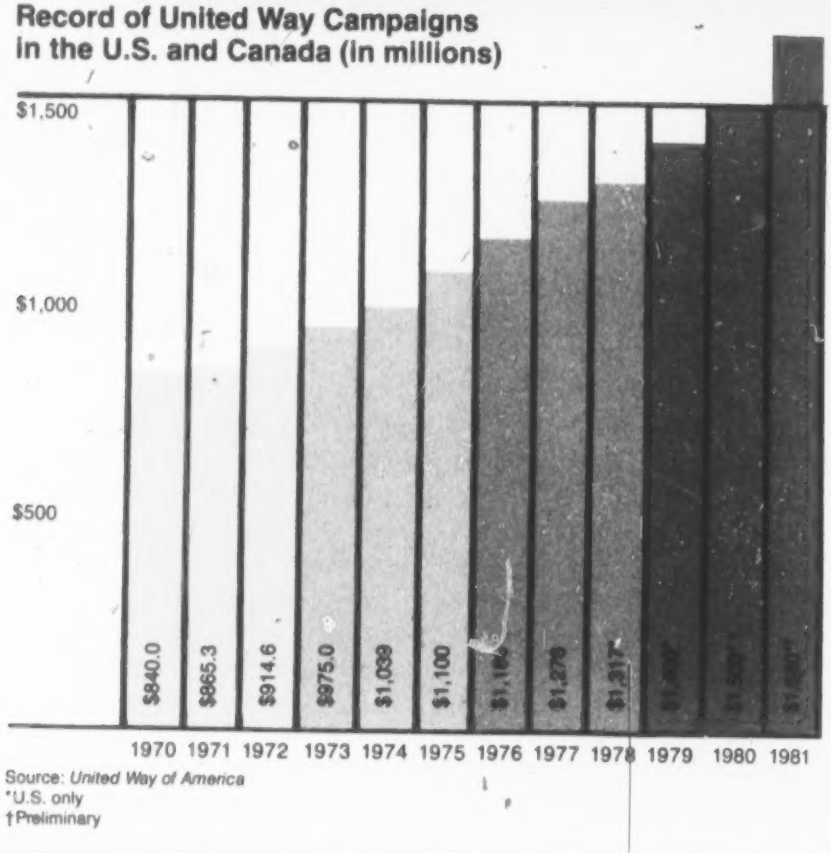


15 percent was noted in business giving from corporations in the Washington, D.C. area; Atlanta was up by 14.6 percent; St. Louis by 13.6 percent and San Francisco by 13.1 percent.

Despite the impressive gains made during 1981, the United Way of America cautioned against overoptimism and said that there was no way that business, foundation and individual giving can match the level of federal tax dollars no longer available for human services.

But despair or surrender, or even complacency, was not in the future either, the agency said. Through its chairman, Donald Seibert, the agency said that "looking at the situation positively, (it) simply means we must all work to increase giving and to stretch available resources so that people continue to receive services."

And, apparently, that stretching of available resources was already taking place in 1981.

Volunteers from around the country instituted innovative grassroots efforts to support services and strengthen state and local human service capacity. A special grants program, through which money is given to non-United Way agencies for services in response to sudden or emerging needs, was outlined by United Way of Metropolitan Atlanta. More than $1 million was distributed through the special fund for priority local programs, such as employment counsel-

ing and juvenile delinquency.

United Way of the Dayton Area, believing the public and private sectors must grow closer together to serve people and achieve progress locally in light of the "New Federalism," was studying the concept of consolidating seven different property tax levies into one human services levy. This would allow for greater coordination of services and determination of service priorities for tax support.

During late 1981, United Way of America launched a program to reach out to Hispanic agencies. Designed to strengthen the managerial skills of Hispanic community service agencies, the Hispanic Volunteer Leadership Development Program will offer management training at little or no cost to volunteer and staff leaders of local Hispanic agencies, including those not affiliated with United Way.

United Way of America's National Academy of Voluntarism will administer the program, using a $174,850 grant from W. K. Kellogg Foundation to establish five regional training centers over the next three years. One of the problems facing Hispanic agencies is their heavy reliance on government funding so the program will also focus on development of new funding sources.

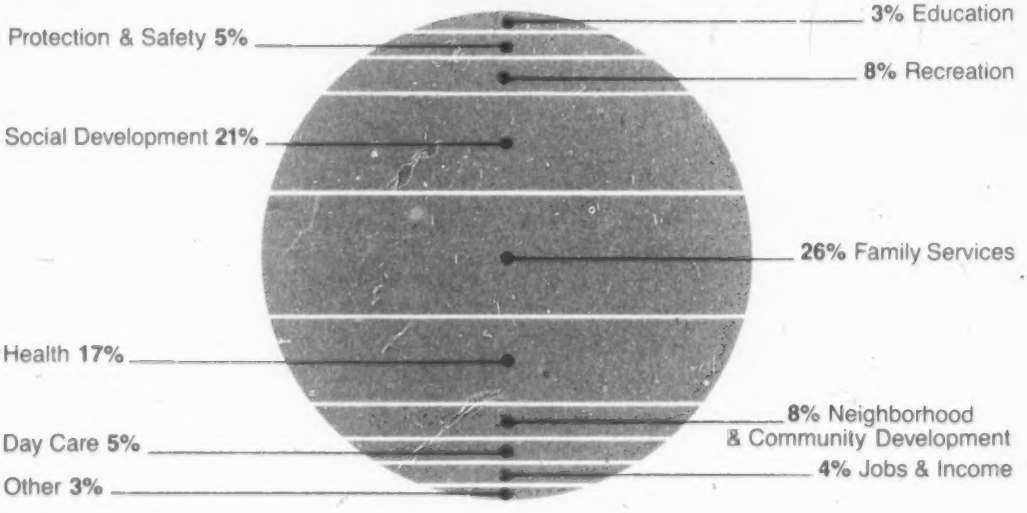
Volunteers Create Innovative Funding

At the heart of the United Way movement are volunteers who work on review panels studying budgets and programs, determining how to best distribute those limited funds raised during the fall and winter campaigns.

The "citizen review" process not only helps a community meet its basic human service needs, it also provides the chance for newer, less visible agencies and programs to get support.

In Santa Clara, Calif., for example,

Services Supported With United Way Contributions



Source: *United Way of America*
Based on 1980 data

The Top 25 Local United Way Campaigns

City	Amount Raised 1980	Amount Raised 1981	Percentage Increase
1. New York*	$85,028,014	$94,009,126**	10.6
2. Chicago	$62,796,161	$66,630,300	6.1
3. Los Angeles	$53,242,000	$59,405,120	11.6
4. Detroit	$42,449,962	$43,493,457	2.5
5. Cleveland	$37,070,666	$40,804,797	10.1
6. Houston	$27,234,554	$32,930,120	20.9
7. Philadelphia	$29,207,278	$32,000,000	9.6
8. Pittsburgh	$27,155,129	$29,599,090	9.0
9. San Francisco	$25,684,107	$29,350,026	14.3
10. Washington, D.C.	$25,901,432	$28,709,224	10.8
11. Boston	$22,810,067	$25,246,379	10.7
12. Saint Louis	$23,076,353	$25,226,606	9.3
13. Cincinnati	$22,175,391	$24,616,615	11.0
14. Baltimore	$19,857,547	$21,902,182	10.3
15. Minneapolis	$18,794,813	$21,624,606	15.1
16. Atlanta	$19,008,214	$21,308,065	12.1
17. Dallas	$18,478,882	$21,250,714	15.0
18. Seattle	$18,626,506	$20,805,807	11.7
19. Rochester	$18,847,730	$20,555,144	9.1
20. Milwaukee	$15,828,149	$16,629,513	5.1
21. Denver	$13,655,081	$16,032,000	17.4
22. Kansas City	$14,133,181	$15,676,564	10.9
23. Indianapolis	$12,775,505	$14,001,414	9.6
24 Portland	$12,226,351	$13,605,184	11.3
25. San Diego	$11,957,500	$13,490,028	12.8

**Areawide United Way including campaigns in Tri-State area of New York, New Jersey and Connecticut.*

***Preliminary results; campaign ends March 30, 1982.*

it was local volunteers who decided to allocate seed grants to seven charitable agencies not affiliated with United Way. They included a rape crisis center and agencies serving Asians and Hispanics.

In Chicago, local volunteers initiated a Special Grants and Incentives Program which distributed nearly $200,000 to 18 non-United Way agencies. One grant of $12,000 went to the Chicago Abused Women's Coalition to provide emergency residential aid and other help for battered women and children.

Volunteers in Toledo, Ohio, established a special "Project Fund" to distribute $70,000 to six non-United Way agencies. One agency, the Retired Senior Volunteer Program, sponsors a "mobile market" delivering food and household supplies to elderly people living in subsidized housing. With United Way support, "Mobile Market" is now serving 500–700 people each week.

And in Seattle, volunteers created "Project Transition"—a United Way-created local coalition comprised of the city, county and state governments, the local Church Council, Jewish Federation and corporation. Project Transition is designed to assist people severely affected by the federal budget cuts on a temporary basis. To date it has raised $1.4 million which is being distributed to a wide variety of local agencies, most of which have no

affiliation with United Way.

One agency, Food Oversight, hired a food warehouse employee and arranged for transportation for improved distribution of donated food. Food Oversight's $53,000 grant enables it to distribute over $1 million worth of food to hungry people through 35 Seattle-area food banks.

Local United Ways, widely known for their fund-raising expertise, are also heavily involved in community-wide health and social welfare planning. This central planning role has recently taken on added significance as federal budget cuts affect programs and services provided by voluntary agencies.

In many communities, United Ways are working closely with local and state officials, reviewing human service needs and priorities, tracking federal legislative activity and preparing to deal in an effective practical manner with the budget cuts.

Large Gifts to Social Services—1981
Donor/Amount/Recipient

Burroughs Corporation—
$2.3 million to *Save the Children Federation*
Ford Foundation—
$1 million to *YWCA of New Jersey*

Giving to ARTS & HUMANITIES

	Amount (Billions)
1970	$ .623
1971	.916
1972	.930
1973	1.25
1974	1.30
1975	1.72
1976	2.31
1977	2.27
1978	2.50
1979	2.70
1980	2.96
1981	3.35

Americans contributed a record-breaking $3.35 billion to cultural institutions and organizations in 1981, an increase of 13.2 percent from the $2.96 billion they gave a year before.

The American Association of Fund-Raising Counsel reported that as a portion of all philanthropy in 1981, giving to arts and humanities equalled 6.2 percent, the same as in the previous two years.

The percentage gain made during the year meant that arts and other cultural organizations increased their contributions enough to offset eroding inflation, but the impressive rise did not signal an end to the nagging problems the cultural community faced.

While for the most part cultural organizations appear to be holding their own better than any other segment in the philanthropic community as far as government cuts are concerned, small groups are suffering and even closing, while creativity is being limited to some degree.

A study among members of the INDEPENDENT SECTOR, shows, for example, that some of the program cuts will result in less arts education provided for public school students by volunteers and while this has no immediate impact, it does have long-term implications.

The arts are actually somewhat better off than could have been the case—at least in the area of federal funding. The fiscal 1982 budget, for instance, gives $143 million to the National Endowment for the Arts, and that represents a drop of only 10 percent from the previous year. But it also is well above what the administration had requested—$88 million—and it means that arts organizations were successful in rallying support for their cause.

Even though the cultural organizations were somewhat more successful in their federal budget fight than others, there is concern among cultural organizations that groups with significant decreases in federal money may end up taking some private funds away from the arts.

A number of arts administrators have expressed fear that agencies in the social services sector may benefit from a shift in both foundation support and corporate giving that did go to cultural institutions.

That feared shift was not evident, however, in a number of studies—including one made by the American Symphony Orchestra League.

The League said, for example, that both corporate and foundation giving increased last year, as did individual giving.

The business community increased its contributions to symphony orchestras by 23.1 percent last year and foundation giving jumped by 22.0 percent. Individual giving rose by 42.3 percent, the League reported, and total private support was up by 31.8 percent.

And data from the Conference Board-Council for Financial Aid to Education joint survey on corporate giving also show that corporate support for cultural activities is increasing.

A comparison of giving by 380 companies shows that they increased giving by 33.9 percent to cultural and arts organizations in a one-year period. And while there was a slight shift in emphasis it was to—rather than from—the cultural segment which received 11.3 percent of total gifts made by the companies in the latest year, compared with 10.4 percent the year before.

In looking at a broader group of more than 700 companies, the survey revealed that giving to arts and cultural organizations increased from 9.9 percent of all corporate contributions to 10.9 percent in the most recent annual period.

Another survey, conducted by the American Council for the Arts, gave some insight to where the corporate donations go.

That study showed performing arts organizations were funded by nearly 93 percent of the companies that responded to the ACA questionnaire, while 87.8 percent of the respondents supported museums.

Public radio-TV was the third most frequently funded at 75.6 percent, followed by community arts groups at 74.4 percent, and arts centers at 62.2 percent.

Arts councils and united arts funds were supported by nearly two-thirds of those responding to the ACA study, or 62.2 percent, and organizations concerned with visual arts re-

ceived gifts from nearly 45 percent.

National organizations received support from more than 31 percent of the study respondents, and literature—the activity showing the lowest level of corporate cultural donations—was supported by 32.4 percent.

The majority of the organizations questioned, 88.2 percent, reported they gave general operating support to arts groups, while 73 percent said they funded capital programs, and 71 percent reported having funded special projects.

Matching-gift programs, a growing area for arts and cultural organizations, were offered by nearly one-third, or 29.3 percent, of the companies responding to the ACA.

Among professional nonprofit theatres, ticket sales and contributions from individuals helped to boost income in 1981 by more than 22 percent, according to the most recent financial survey conducted by the Theatre Communications Group.

But, the TCG said, the current trends cannot be seen as "financial nirvana," but rather can more accurately be compared to "running faster on the treadmill just to stay even." And that statement can be applied to all of American philanthropy—the increases achieved during 1981 didn't, for example, bring philanthropy even with the inflation experienced over the past three years.

Citing the administration's cuts in federal appropriations to the National Endowment for the Arts, TCG noted that "there is no question that there is a 'trickle down' or 'ripple' effect in support of the arts. It is not the dollar amount so much as the imprimatur of government support that is important. Without it, other sources of support fall off."

Expenses increased among the theatres covered in the TCG survey by almost 23 percent in 1981, or slightly more than the growth of total income. Theatres are tightly managed and for the most part they are living within their means, but what's alarming is the method by which they are being forced to control the budget.

Theatres are expending increasing time, energy and resources on the development of an ever-larger audience and individual donor base.

To accomplish these administrative ends, the labor force related to marketing and fund-raising increased by nearly 20 percent in the most recent year.

At the same time, the artistic budget is being squeezed and pinched to accommodate the growth necessary for survival.

Over a five-year period from 1977 to 1981, the share of expenses devoted to artistic salaries has steadily declined from 29 percent to just 24 percent. With many of these companies playing to audiences of maximum capacity for eight performances a week, 40 weeks a year, the answer to this problem is not related to the amount theatres are earning, but rather to find ways of increasing the base of unearned income without at the same time adding yet another layer of administrative expense.

But, as the TCG report, **Theatre Facts 81**, reveals, the nature of contributed support has been highly capricious in recent years.

In 1981, total unearned income increased by only 3.2 percent more than the corresponding rate of inflation, and each of the six categories of unearned income studied showed substantial deviation from trends reported in prior years.

Support for American Symphony Orchestras—1979-80 and 1980-81 Seasons
(In Thousands)

Source of Revenue and Support	1979-80	%/Inc.	1980-81	%/Inc.	$/% Chng.
Earned Income (Ticket Sales, Fees)	$113,549.0	48.2	$135,190.0	46.8	+ 19.0
Support, Government	31,849.6	13.5	36,157.5	12.5	+ 13.5
Support, Private					
Corporations	16,122.8	6.8	19,842.4	6.9	+ 23.1
Foundations	9,149.5	3.9	11,166.5	3.9	+ 22.0
Fundraising Projects	10,268.8	4.4	13,967.7	4.8	+ 36.0
United Arts Funds	7,763.8	3.3	9,523.3	3.3	+ 22.6
Individuals, Other Sources	24,555.9	10.4	34,947.6	12.1	+ 42.3
Total	67,860.2	28.8	89,447.5	31.0	+ 31.8
Endowment & Investment Income	22,412.0	9.5	28,083.4	9.7	+ 25.3
Total Revenue and Support	$235,670.8	100.0	$288,878.4	100.0	+ 22.6
Total Expenses	$241,349.2	97.6	$289,327.6	99.8	+ 19.9
Surplus/(Deficit)	($ 5,678.4)	2.4	($ 449.2)	.2	−1164.1

Source: *Research and Reference Department, American Symphony Orchestra League, 3/1/82 lg*

While grants from state and federal government sources made some new gains, foundation support decreased by 11 percent.

Individual contributions increased by 22 percent, yet the rate of growth in corporate contributions diminished from 41 percent in 1980 to less than 16 percent in 1981. Advances in one area were largely offset by reductions in others.

In the current economic and political climate, the future seems to rest with financial support from private sources.

As the report notes, the fallout in private foundation assistance in 1981 is only the "tip of an iceberg," since foundation grants are expected to diminish over the next three-to-five years in response to changes provided in the Economic Recovery Tax Act of 1981.

Although corporate contributions to the theatres have increased significantly in aggregate over the last five years, the average corporate contribution detailed in the TCG report increased by only $4 per theatre, from $1,107 in 1980 to $1,111 in 1981. The aggregate growth is related to a greater number of corporations that have entered the arena rather than to a dramatically enlarged level of giving.

It is the individual—whether as ticket-buyer or donor—who is seen to provide the greatest measure of financial support.

Over 76 percent of the theatres' expenses were met through earnings and contributions from individuals.

Among a sample of 25 companies, the number of annual individual donors increased from 41,000 in 1980 to 45,500 in 1981 and the average size of gift increased by 10 percent from $61 to $67.

But such income is quite costly to secure. "Not only is tremendous administrative manpower consumed," says TCG, "but also financial resources for paper, printing and postage. The decrease in federal postal subsidies for nonprofit organizations could be even more financially devastating than the reduction of National Endowment for the Arts appropriations."

Symphony Orchestras

Revenue and support from all sources for America's symphony orchestras increased by 22.3 percent during the 1980–81 season over 1979–80.

The areas exhibiting the greatest increase were private-sector support, up 31.8 percent, and income from endowments and investments, up 25.8 percent, the American Symphony Orchestra League reported.

For the first time in more than a decade, the orchestras posted a total operating deficit of less than $1 million. This can be explained by the rate of growth in income being greater than the rate of growth in expenses (22.6 percent vs. 19.9 percent). The figure was less than $500,000, or approximately $5.2 million less than 1979–80.

Reasons cited for the dramatic decline are increased earned income from ticket sales and the increase in private-sector support and income from endowments and investments, the latter presumably because of high money-market-fund rates.

The orchestras' income increased in real terms, not just in terms of dollars. Government-sector support, on the other hand, barely outpaced the inflation rate, registering an increase of only 13.5 percent.

Though it may only be speculation at this time, the increased income figures, and the smaller deficit, may be indicative of a new direction for orchestras—more emphasis on earned income and private-sector support, and tighter control of expenses.

In the area of private support, while support from corporations increased 23.1 percent, this source represented only 6.9 percent of all income, vs. 6.8 percent in 1979–80.

It was in the areas of fund-raising project income and income from individuals and other sources, such as memorial gifts, bequests, and special capital fund drives, that there was a sizable increase in the actual percentage of total income. This trend would seem to bear out the statements of the corporate sector, made during the past year, that it is not prepared to increase its support for nonprofit organizations in order to take the place of decreased government support.

It would appear that the individual, through the purchase of tickets, support of fund-raising events and by making donations, will remain the backbone of orchestra support.

During 1979–80, the individual accounted for 63.0 percent of orchestra support, and in 1980–81, accounted for 63.7 percent.

Public Broadcasting

Public broadcasting income amounted to $704.9 million, an increase of 16.8 percent over the previous year. Nonfederal income ($512.3 million) also increased 16.4 percent over the previous year. When adjusted for inflation, however, total and nonfederal income rose 3.3 percent and 2.9 percent, respectively.

Based on the legislative two-to-one matching principle, public broadcasting more than met the levels required under its fiscal 1982 appropriation—$172 million. In fact, public broadcasting raised sufficient funds to have met the full $200 million authorized, had this amount been appropriated by the Congress.

Nonfederal, tax-based entities continued as the largest source of funds for public broadcasting. That share, however, dropped to 37.4 percent in the most recent year, from 40.4 percent a year earlier. Specifically, local government sources decreased substantially.

Income of Public Broadcasting Systems by Source: Fiscal Years 1972-1980

(Dollars In Thousands)

Income Sources	FY '72	FY '73	FY '74	FY '75	FY '76†	FY '77†	FY '78†	FY '79†	FY '80†
State & Local Tax	$107,705	$127,275	$139,056	$156,570	$175,870	$191,269	$218,183	$243,519	$263,719
Percent of Total	46.0%	50.0%	47.9%	42.9%	40.6%	39.7%	39.5%	40.4%	37.4%
State Sources*	78,315	95,550	108,706	125,073	140,943	154,519	173,946	195,754	223,902
Local Sources	29,390	31,725	30,350	31,497	34,927	36,750	44,237	47,765	39,817
Federal Government	59,812	55,585	67,005	92,341	130,146††	135,269	160,762	163,229	192,540
Percent of Total	25.5	21.8	23.1	25.3	30.0	28.1	29.1	27.0	27.3
Subscribers & Auction	17,610	25,435	31,618	42,346	54,356	63,704	75,216	86,682	102,300
Percent of Total	7.5	10.0	10.9	11.6	12.6	13.2	13.6	14.4	14.5
Business & Industry	**	9,598	15,555	21,018	29,412	39,958	48,970	57,892	72,395
Percent of Total		3.8	5.4	5.8	6.8	8.3	8.9	9.6	10.3
Foundation	25,117	20,181	18,429	28,688	23,003	22,626	17,213	20,402	23,538
Percent of Total	10.7	7.9	6.3	7.8	5.3	4.7	3.1	3.4	3.3
All Other Sources	24,060**	$ 16,690	18,722	23,828	20,513	29,267	31,981	31,742	50,365
Percent of Total	10.3	6.5	6.4	6.6	4.7	6.0	5.8	5.2	7.2
Total Income	$234,304	$254,764	$290,385	$364,791	$433,300	$482,094	$552,325	$603,466	$704,857
Percent	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Nonfederal Income)	($174,493)	($199,179)	($223,380)	($272,450)	($303,154)	($346,825)	($391,563)	($440,237)	($512,317)

Includes income received from state colleges and universities.

**Business and industry for fiscal year 1972 reported under "All Other Sources."*

†Includable non-broadcast income added.

††Includes the transition quarter appropriation ($17.5 million) to CPB.

Planning & Analysis
CPB
November 1981

The federal contribution to public broadcasting of 27.3 percent marked only a slight gain from 27 percent a year before. The Corporation for Public Broadcasting appropriation of $152 million accounted for 21.6 percent of the public broadcasting industry's total income.

Conversely, public broadcasting's non-tax-based income grew at a faster rate than nonfederal, tax-based income. Income from corporations rose to 10.3 percent from 9.6 percent the previous year.

The dollar support from corporations rose to $72.4 million, from $57.9 million.

Foundation support, at 3.3 percent, is roughly equal in both years, but the dollar total was up by $3 million to $23.5 million compared to $20.4 million a year before.

Income from subscribers and auctions rose to $102.3 million, up from $86.7 million, but the percentage remained essentially the same—from 14.4 percent to 14.5 percent for the previous year.

Of the $704.9 million total income, public television (PTV) received $581.4 million (82.5 percent) and public radio $123.4 million (17.5 percent). For the nonfederal income portion, PTV's share of the $512.3 million was 83.7 percent—$429.0 million. Radio's portion was 16.3 percent—$83.3 million.

Public radio's total income and nonfederal income increased 25.1 percent and 27.7 percent, respectively. Television's total income rose 15.2 percent, and nonfederal income increased 14.4 percent. Federal support for both PTV and radio increased significantly in the most recent year, to 17.4 percent and 20.2 percent, respectively.

As in previous years, nonfederal, tax-based sources—local and state governments and state colleges—were the largest contributors for both PTV and radio. Nevertheless, their shares of total income decreased in the latest year. Income from local government decreased, particularly for PTV. Income from nonfederal, tax-based income failed to keep pace with the rate of inflation for PTV and radio. When divided into detailed income categories, the federal government contributed 26.2 percent for PTV and 32.5 percent for radio. Other major sources of support were state government, with 24.9 percent for PTV, and state colleges, with 23.2 percent for radio.

Income from private sources increased faster than nonfederal, tax-based sources, for both PTV and radio. When comparing the sources of funds, it is evident that some are better for one system than another.

For example, auctions were far better for television, comprising nearly three percent of its funds ($16.9 million), whereas private colleges were better for radio, contributing 3.9 percent of its funds ($4.8 million), than for television, with 1.3 percent ($7.7 million).

Large Gifts to Arts & Humanities—1981

Donor/Amount/Recipient

Wortham Foundation—
$15 million (3-5 years) to *Lyric Theatre Foundation (TX)*

Harold D. Uris—
$10 million to *Metropolitan Museum of Art*

Fan Fox & Leslie R. Samuels Foundation—
$8 million to *Lincoln Center*

Shapell Industries—
$6 million to *San Diego Symphony*

Segerstrom Family—
$5 million to *Orange County Music Center, Inc.*

Larry & Zachary Fisher—
$4 million to *Intrepid Museum Foundation*

Giving to CIVIC & PUBLIC

	Amount (Billions)
1970	$ .415
1971	.594
1972	.650
1973	.610
1974	.770
1975	.890
1976	1.07
1977	1.17
1978	1.18
1979	1.24
1980	1.36
1981	1.54

Organizations in the civic and public affairs category of philanthropy received a total of $1.54 billion in charitable contributions during 1981, an increase of 13.2 percent from the $1.36 billion a year earlier.

The American Association of Fund-Raising Counsel said that as a portion of all charitable contributions in the country, civic and public affairs groups accounted for 2.9 percent, exactly the same as in 1980.

The Association attributed the 1981 increase of 13.2 percent—the second highest growth rate of any philanthropic segment during 1981—to the anticipated loss of federal funding for many of the programs carried on by the civic and public affairs organizations and a subsequent major push for private funds.

A large chunk of these programs are heavily dependent on government funding for their existence, and some of them—including job training programs, community development projects and juvenile justice—were

among the most severely cut.

A number of national organizations reported reductions in funds received through the government, with one minority group losing $46 million and another reporting a 45 percent reduction in program services.

In general, there was greater competition for private funding but less than had been expected because some smaller organizations with programs similar to larger ones had folded when their federal funding was cut.

While the lion's share of support for civic and public affairs projects comes from contributions made by individuals, both foundations and corporations have traditionally sought to fund these programs. And much of the corporate and foundation support is at the local level—specifically to programs in areas where corporations have facilities and where foundations feel grants will enable a community to improve its quality of life.

An analysis of the most recent data on corporate giving shows that there was an overall increase in contributions by 732 companies to the civic and public affairs category.

These companies reported that they gave a total of $116.8 million, or 11.7 percent of all their corporate contributions, to civic activities. This represented a gain of 20 percent from year-earlier figures when the total was $97.3 million.

Even more dramatic increases are evident in an examination of corporate contributions as a portion of worldwide pretax net income and U.S. pretax net income. In that breakdown 549 companies said they gave a total $107.3 million to the civic category in the most recent year, an increase of 21.8 percent from the year before.

When broken down as a portion of U.S. pretax income, 380 firms reported a total of $57.5 million in contributions to civic organizations, an increase of 27 percent from the year before.

Clearly, the corporations increased their giving to civic and public affairs at a faster rate than they increased their overall contributions.

Among foundations, the picture was somewhat mixed, with some areas seeing large gains and others declines. Generally, there were more dollars given but the number of grants was less, meaning that each grant made was larger than in the past.

An analysis of the Foundation Center's *Grants Index*, which represents only grants of $5,000 and over made by 369 foundations, shows a total of $37.5 million given to the business and employment category in 1981 compared with $25.9 million in 1980. And that represented an increase of 44.8 percent in just one year. In 1980 there were 810 grants made to the category, while in 1981 the total dropped to 692. Thus, the evidence shows that the grants were getting larger in dollars but smaller in numbers.

The community affairs category also showed an increase, from $67.8 million in 1980 to $80.9 million in 1981, but the number of grants also rose from 1,507 in 1980 to 1,685 in 1981. That category represented 6.7 percent of the total giving in the *Grants Index* and 7.5 percent of the total number of grants made.

Advances were also noted in the environment and conservation category—from $36.6 million to $46.3 million—and in the area of rural development—from $5.5 million to $7.0 million.

But the category of equal rights and

legal services had a substantive drop—20.9 percent—from $29.3 million to $16.1 million.

And a 39.9 percent decline was noted in the value of grants made for urban development, with these dropping to $18.1 million in 1981 from $30.3 million in 1980.

A sampling of some national organizations in the environmental area has produced some mixed results. While some organizations have felt the government ax in the area of research grants, others have not. And in other areas, government policy has helped some of the groups.

For example, widespread opposition to the Interior Department's policies resulted in an increase in memberships for organizations like the Sierra Club.

But the membership increases were tempered by increases in postal rates and they in turn have limited the ability of a number of organizations to reach new members and raise money through direct mail.

Large Gifts to Civic & Public Affairs—1981
Donor/Amount/Recipient

Walter H. Annenberg—
$150 million (over 15 years) to
Corporation for Public Broadcasting
Richard King Mellon Foundation—
$15 million to *Nature Conservancy*
Ford Foundation—
$5 million to *Population Council*
Enid A. Haupt—
$5 million to *New York Botanical Garden*
Krannert Charitable Trust—
$5 million to *City of Indianapolis*
Shell Companies Foundation—
$1.2 million to *WQED-TV*
Margaret Larsen—
$1 million + land to *Audubon Society*
Ford Foundation—
$1 million to *Mississippi Action for Community Education*

VOLUNTEERS

More than 84 million Americans volunteer in a typical year for nonprofit institutions, agencies and organizations, and the time they give is valued at $64.5 billion.

According to a study of volunteer activity conducted by the Gallup Organization, individuals give a total of 8.4 billion hours of their time to nonprofit organizations.

And, the study concluded, those who do volunteer are more likely than non-volunteers to contribute to charitable organizations—with 91 percent of active volunteers making charitable gifts, compared with 66 percent of non-volunteers.

Among adults who volunteer, the largest portion (44 percent) first learned of the activity when they were asked by someone if they would volunteer. But having a family member or friend involved in the activity was the reason cited by 29 percent of the adults; and participation in a group or organization was the reason given by 31 percent.

Only one person in four sought out the volunteer activity on their own, while 6 percent said they became volunteers because they had seen an ad or information about the activity in the media.

When asked why they first became involved with volunteer activity, 45 percent of the adult volunteers said it was because they wanted to do something useful to help others; 29 percent said they thought they would enjoy the work and 11 percent said they wanted to learn and get job experience.

But those who volunteer apparently have an impact on bringing in

new volunteers, since 23 percent of the adults said they volunteered because they knew someone who was already involved or would benefit from the activity.

The religion segment of the philanthropic community appears to draw more volunteers than any other, with 16 percent of adult males and 22 percent of adult females volunteering time in that area.

In the health field, 9 percent of the adult men and 15 percent of the adult women were active volunteers; while 8 percent of the men and 15 percent of the women volunteered in an education-related activity.

Four percent of the American men volunteered in the area of social welfare, while 5 percent of women also volunteered in that segment.

The pool of people who volunteer changes over time. The survey, which was sponsored by the INDEPENDENT SECTOR, asked volunteers whether they do more, less or the same amount of volunteer work today as three years ago.

Thirty-six percent said they did more, 30 percent less and 30 percent said they did the same. Four percent didn't answer.

When asked whether they were involved with any volunteer activity three years ago that they no longer do today, 21 percent said yes. Among adults who stopped doing volunteer activity in the past three years, the reasons most frequently given were that the volunteer became too busy to continue (33 percent); private or personal reasons (18 percent); the project they were involved with was completed (11 percent); and the volunteer had moved (12 percent).

The economy also played a role, with 10 percent saying they were no longer involved because they had a job, while 8 percent said they left because their friend or relative left.

Cost Equivalent of Volunteer Time by Service Category
(Adults and Teens)

Service Category	Cost Equivalent (in $ billions)	Percent
Health	$ 8.7	14%
Education	8.4	13
Justice	.7	1
Citizenship	4.7	7
Recreation	5.3	8
Social/Welfare	3.2	5
Community	4.3	7
Religion	13.7	21
Political	4.6	7
Arts and Culture	2.2	4
Work Related	4.0	6
General Fund Raising	4.7	7
TOTAL	$64.5	100%

Source: *Independent Sector*

The study showed that upper socioeconomic groups are most likely to volunteer, with 63 percent of the individuals having an annual household income of $20,000 and more. In looking at the level of education attained by volunteers, the same percentage of those with some college education had volunteered in the past year.

Women, the study found, are more likely to volunteer than men, as are people under the age of 55, those who are employed, those who have children at home, and those who live in suburban or rural areas. Individuals from larger households volunteer more than those from smaller families.

The dollar value of the volunteer time was computed by INDEPENDENT SECTOR on the basis of the number of persons involved in volunteer activity, the hours they volunteered each year and the dollar value of the hours by education level.

Current Volunteer Strength of 20 National Agencies

Organization	1981 Number of Volunteers	1981 Number of Fund-Raising Volunteers
United States Committee for UNICEF	3,000,000	3,000
American Heart Association	2,806,000	2,418,000
American Cancer Society, Inc.	2,427,137	2,054,092
Muscular Dystrophy Association, Inc.	1,980,000	1,581,000
American National Red Cross	1,405,743	87,165
National Council—Boy Scouts of America	1,104,193	368,064*
National Multiple Sclerosis Society	1,000,000*	240,000*
American Lung Association	1,000,000*	100,000*
National Easter Seal Society	800,000*	n/a
The Salvation Army	700,999	n/a
Girl Scouts of the USA	547,000	n/a
The Arthritis Foundation	424,000	378,000
March of Dimes Birth Defect Foundation	250,000	3,000,000*
United Cerebral Palsy Association, Inc.	200,000*	n/a
National Association for Retarded Citizens	200,000	15,000*
Boys' Club of America	109,000	103,000
Camp Fire, Inc.	105,000	15,000*
YMCA of the USA	527,000*	113,405*
National Board, YWCA of the USA	140,000	3,500*
USO (United Service Organizations, Inc.)	40,000	1,000
Totals	18,766,072	10,480,226

*Estimated

The total for adults was broken down as follows: adults with a grammar school education volunteer 206.3 million hours per year; high school-educated adults, 2.4 billion hours; and those with a college education, 5.2 billion hours. The number of hours was then multiplied by the average hourly wage for these three groups and equalled $62.2 billion.

Teenage volunteering provides the balance of the dollar value of volunteer time. A total of 7.7 million individuals between the ages of 14 and 17 volunteer, and this figure, multiplied by the average number of hours volunteered and the average wage for those individuals, totaled $2.3 billion.

Together, they equal $64.5 billion.

PHILANTHROPY'S TIME HAS COME— AMERICANS REALLY CARE

1981 brought the dramatic changes in conditions affecting charities that presented an unprecedented challenge to philanthropy and the immediate response of Americans was remarkable.

The record-shattering increase of 12.3 percent in giving is only a small part of the story. With the reduction of federal funds for charity, new tax laws, continued high interest rates, inflation and a weakened economy, we could normally expect a serious fall-off in charitable giving.

Instead, these conditions created positive results. Not without irony, there was an explosion of awareness and concern about the difficulties charities are facing in obtaining enough financial support to continue delivery of essential services. The media had a field day over charity's plight and, in fact, created a healthy reaction by volunteers and fund-raising managers, who are saying, "We won't take this lying down; we're ready to roll up our sleeves and really go to work."

At long last trustees, directors and administrators of charities have begun to make fund-raising very important. Much more time and effort are being put into the activities so necessary to broaden the base of financial support and the results are showing.

The outstanding example of this attitude is the incredible fact that the United Way of Detroit overcame the seriously depressed economic condition of the automotive industry and increased its 1981 total by 2.5 percent!

On the darker side, the institutions and agencies previously relying heavily on government funding are reeling and, in many cases, may not be able to survive. The INDEPENDENT SECTOR surveyed 250 agencies about the impact of these cuts both on their capacity to continue their programs and the direct effect on people in their communities. This study notes, "The cuts have created unreal expectations about the sector's capacity, setting the stage for disappointment and anger."

The future of those agencies so affected depends upon their capacity to raise more funds from the private sector at a time when individuals and foundations and corporations are literally deluged with appeals. And, undergirding this condition is the sure fact that even improved philanthropic yield cannot make up the gap created by the government cuts. The question for those agencies and for all charities is how to make the most of the current climate.

Since 1955, when individuals contributed $5.7 billion there has been nearly an eight-fold increase to $44.51 billion in 1981. And that may be a pace that will prove hard to beat.

A significant number of nonprofit institutions and agencies have developed sophisticated programs to obtain near-maximum support from individuals within their constituencies and they continue to build this

effectiveness annually.

Therefore, it becomes essential to identity methods to make these successes portable to a number of nonprofit institutions and agencies which are now entering into an unparalleled struggle to survive, much less flourish. And at best the program will be a long range process that not only will take many years to build, but will require massive efforts from all the elements of the philanthropic community. Fortunately, now is the most opportune time to begin. The public attention has been gained and most concerned citizens will respond to opportunities to give both their time and their effort.

What are the elements needed for success?

First is the involvement of people in these causes. Perhaps no one has put this more clearly than Harold J. Seymour in *"Designs For Fund Raising"* where he wrote that "every cause needs people more than money, for when the people are with you and are giving your cause their attention, interest, confidence, advocacy and service, financial support should just about take care of itself; whereas, without them in the right quality and quantity in the right places and the right states of mind and spirit, you might as well go and get lost."

The *second* element is the recruitment of the individual who is to ask for a gift. Such persons are indispensable and cannot be chosen at random. Fund-raising campaigns never fail because too many people say no but rather because not enough people are asked. Everything possible should be done, not only to recruit volunteers in fund-raising, but to give them the tools and training they must have if they are to be effective.

Third, fund raising itself must receive higher priority. National leadership must convince trustees, administrators and influential friends to participate in fund-raising.

Fourth, the organization's board must be built from candidates who have the capacity to raise funds, either through their own level of affluence and/or their position within the community's leadership.

Fifth, professionalism in fund-raising management has to be increased by broader recognition of the role of professional fund-raisers. Planning and implementing a fund-raising campaign is an acquired skill which is learned only by experience gained from several campaigns. This makes trained professionals all too scarce.

Sixth, the cause must be presented in terms of current values, needs and attitudes. Once again, we refer to Harold J. Seymour, who in his inimitable way said so clearly, that "people give to worthwhile programs rather than to needy institutions. The case must catch the eye, warm the heart and stir the mind." The emphasis in all presentations must be on both the need and the worthwhileness of the programs and not simply that government cutbacks have reduced income by "x" amount which now must be raised from private sources.

Seventh, it is essential that public policy reflect charitable concerns. Public policy with respect to charitable giving goes beyond the positive feelings of the White House and many Congressmen. To bring about substantive changes, like the charitable contributions legislation of 1981, or to even maintain current tax incentives, all who have been elected by the people have to join and fight the natural tendency of the Department of the

Treasury and IRS to resist measures that invade tax revenues.

The following changes, or improvements in tax incentives for charitable giving, along with the steps outlined above, would contribute measurably to promoting the increase of volunteerism and higher philanthropic yields from individuals:

(1) Provide for a much earlier phase-in of the Charitable Contributions Legislation—or drop the phase-in entirely.

(2) Provide that an employer, who matched employee gifts, would receive an additional deduction as an incentive.

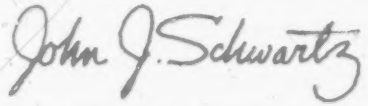
(3) Provide that volunteers who give a designated amount of volunteer time to a public charity be given an increased deduction for their cash gifts to that public charity.

(4) Increase the 30% limitation on gifts of appreciated property and 50% for gifts of case by creating a bonus for "extra effort" deductions, e.g. 50% one year if reached becomes 60% in second year or if gave x one year and x plus 20% in year two = an extra deduction.

(5) The postal rates for charitable organizations should not be raised for their third-class mail. The new rate puts enormous obstacles on some of the very largest organizations as well as small ones in their efforts to obtain financial support as well as in carrying out their responsibilities.

The ultimate result of these changes may well be the fulfillment of the objectives as now set forth by the President's Task Force on Voluntary Initiatives. C. William Verity, its chairman, has set the goal that corporation contributions should double in the next four years to place their giving at the level of 2 percent of pre-tax net income instead of the prevailing 1 percent. Individual giving, now at 2.18 percent of disposable personal income should also double up to between 4 and 5 percent in the next four years.

Whether or not these objectives are achieved, philanthropy, in this observer's view, is beginning to boom and will grow at a faster pace than ever before. I believe we will see an annual growth of 15 percent or more in the foreseeable future.



John J. Schwartz

President, American Association of Fund-Raising Counsel

Individuals — *Contributions by individuals included in this report refer to the gifts made within the specified calendar year and for the most part are cash. While some individuals report the value of gifts other than cash—such as clothing, food, and works of art—on their tax returns, they are relatively small in comparison to the overall cash total.*

Bequests — *Bequests made by individuals to charitable organizations, institutions and agencies are counted in the year in which they are received by the organization, since at times, the actual transfer of the bequest may take years.*

Corporations — *The corporate giving figures used in this report follow the IRS series and include cash contributions by the nation's business corporations to charitable institutions and agencies, as well as money given by corporations to corporate foundations.*

Foundations — *The American Association of Fund-Raising Counsel excludes corporate foundation grants from its overall foundation giving total since they are counted as corporate contributions. All other foundation giving is, however, included.*

Religion — *Included in the total for religion is giving to organized religious organizations for sacramental purposes and giving to evangelical religious organizations. The total does not include giving to educational institutions which are religiously-affiliated.*

Education — *The total for giving to education includes the amounts of money donated to all levels of education—primary, secondary and higher, and to educational agencies and organizations, in both the public and private sectors. Research is also included in this category if that research is educational in nature and conducted at an educational institution. Groups such as the Urban Institute, however, are included in the "other" category, and some other research activity is included in the health and hospitals category.*

Health and Hospitals — *The giving total for health and hospitals refers only to money from individuals, foundations and corporations. It does not include government contracts or grants for research, but does include private research in the health community.*

Social Services — *Organizations included in this group are those which for the most part are concerned with the delivery of a variety of welfare-related programs to the general public. They include groups such as the United Way of America and other general affiliated fund-raising projects, as well as organizations such as American Red Cross, Catholic Charities, United Jewish Appeal, Boy Scouts, Federation of Protestant Welfare Agencies, and Federation of Jewish Philanthropies, to name a few.*

Arts & Humanities — *This category includes giving to theatres, museums, arts organizations, libraries, public television and radio, and symphony orchestras, as examples.*

Civic and Public Affairs — *Organizations included in this category are concerned with civic issues such as the environment, the women's movement, the prevention of crime and delinquency, transportation and neighborhood rehabilitation.*

"Other" — *The "other" category includes a mix of organizations involved with foreign aid and technical assistance, international activities and foundation endowment.*

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Washington, DC 20007

American Council for the Arts
570 Seventh Avenue
New York, NY 10018

American Council on Education
One Dupont Circle, NW
Washington, DC 20036

American Hospital Association
840 North Lake Shore Drive
Chicago, IL 60611

American Symphony Orchestra League
P.O. Box 66
Vienna, VA 22180

Association of American Colleges
1818 R Street, NW
Washington, DC 20009

Business Committee for the Arts, Inc.
1501 Broadway
New York, NY 10036

Committee for Economic Development
477 Madison Avenue
New York, NY 10022

The Conference Board
845 Third Avenue
New York, NY 10022

Council for Advancement and Support of Education
11 Dupont Circle, NW
Washington, DC 20036

Council for Financial Aid to Education, Inc.
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New York, NY 10019

Council of Better Business Bureaus, Inc.
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Washington, DC 20036

Council of Jewish Federations
575 Lexington Avenue
New York, NY 10022

Council of State Governments
36 West 44 Street
New York, NY 10036

Federation of Protestant Welfare Agencies
281 Park Avenue South
New York, NY 10010

Foundation Center
888 Seventh Avenue
New York, NY 10019

INDEPENDENT SECTOR
1828 L Street, NW
Washington, DC 20036

Lutheran Resources Commission—Washington
1346 Connecticut Avenue, NW
Washington, DC 20036

Independent College Funds of America, Inc.
420 Lexington Avenue
New York, NY 10017

National Assembly of National Voluntary Health and Social Welfare Organizations, Inc.
291 Broadway
New York, NY 10017

National Association for Hospital Development
8300 Greensboro Drive
McLean, VA 22102

National Association of Independent Colleges and Universities
1717 Massachusetts Avenue
Washington, DC 20036

National Association of Independent Schools, Inc.
18 Tremont Street
Boston, MA 02109

National Catholic Development Conference
119 North Park Avenue
Rockville Centre, NY 11570

National Catholic Education Association
One Dupont Circle, NW
Washington, DC 20036

National Catholic Stewardship Council
1 Columbia Place
Albany, NY 12207

Volunteer: The National Center for Citizen Involvement
1214 16 Street, NW
Washington, DC 20036

National Committee for Responsive Philanthropy
810 18 Street, NW
Washington, DC 20006

National Council of Churches
475 Riverside Drive
New York, NY 10027

National Health Council
70 West 40 Street
New York, NY 10018

National Information Bureau, Inc.
419 Park Avenue South
New York, NY 10016

National Society of Fund Raising Executives
1511 "K" Street, NW
Washington, DC 20005

Tax Foundation
50 Rockefeller Plaza
New York, NY 10020

United Negro College Fund
500 East 62 Street
New York, NY 10021

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Washington, DC 20005

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